

Dt: 8th August, 2023

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: Notice of 34th Annual General Meeting and Annual Report for the Financial Year 2022-23.

Dear Sir,

Please find enclosed the Notice of 34th Annual General Meeting and Annual Report for the Financial Year 2022-23 of Power Grid Corporation of India Limited scheduled to be held on Wednesday, the 30th August, 2023 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 28th December, 2022 read with Circular dated 5th May, 2020 of Ministry of Corporate Affairs (MCA) and circular dated 5th January, 2023 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
A

Digitally signed by
MRINAL SHRIVASTAVA
Date: 2023.08.08
17:36:34 +05'30'

(Mrinal Shrivastava)
Company Secretary &
Compliance Officer

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.in

NOTICE

NOTICE is hereby given that the **34th Annual General Meeting** of the Members of Power Grid Corporation of India Limited will be held on **Wednesday, 30th August, 2023 at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the Board's Report, the Auditors' Report thereon and comments of the Comptroller and Auditor General of India.
2. To confirm payment of 1st and 2nd interim dividend and declare final dividend for the Financial Year 2022-23.
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 authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors for the Financial Year 2023-24.

SPECIAL BUSINESS:

5. **Appointment of Dr. Saibaba Darbamulla, (DIN: 10167281) as a Government Nominee Director.**

To consider and if thought fit, to pass with or without modification(s), 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, Dr. Saibaba Darbamulla (DIN: 10167281), whose appointment was communicated vide Ministry of Power, Govt. of India Order No.25-12/10/2019-PG dated 17th May, 2023 and appointed by the Board of Directors as a Government Nominee Director

w.e.f. 18th May, 2023 in terms of Section 161(3) of the Companies Act, 2013, be and is hereby appointed as a Government Nominee Director of the Company and he shall be liable to retire by rotation."

6. **Ratification of remuneration of the Cost Auditors for the Financial Year 2023-24.**

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

"RESOLVED THAT pursuant to the provisions of 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 2023-24 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 2023-24 of the Company as a whole, be and are hereby ratified and confirmed."

7. **To enhance borrowing limit from ₹6000 Crore to ₹8,000 Crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement for the Financial Year 2023-24.**

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

- (i) **"RESOLVED THAT** in partial modification of the resolution (i.e. Item No. 12) passed by the Shareholders in 33rd Annual General Meeting held on 29th August, 2022 and 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 accorded for enhancement of the borrowing limit from ₹6000 Crore to ₹8000 Crore during the financial Year 2023-24 in domestic market 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 / 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 ₹12,000 Crore during the Financial Year 2024-25 from domestic sources through Private Placement of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free Bonds in one or more 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)".
9. **To Capitalize Reserves of the Company to issue Bonus Shares.**
- To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:
- (i) **"RESOLVED THAT** pursuant to the provisions of Section 63 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable statutory provisions, if any, including Rules notified thereunder, as may be amended from time to time, and in accordance with provisions of Article 49B of the Articles of Association of the Company and provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Foreign Exchange Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all other applicable provisions, Regulations and Guidelines issued from time to time by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and other Statutory Authorities and pursuant to recommendation of the Board of Directors of the Company ('the Board', which expression

shall include any Committee authorized by the Board to exercise its powers including powers conferred on the Board by this resolution) and subject to such other approval(s), consents, permissions as may be necessary, consent of the Members be and is hereby accorded to capitalize sum of ₹2325,15,09,550 (Rupees Two Thousand Three Hundred and Twenty Five Crore Fifteen Lakh Nine Thousand Five Hundred and Fifty Only) out of Securities Premium, General Reserve and Retained Earnings of the Company for the purpose of issuance of Bonus Shares to the Members of the Company, whose names appear in the Register of Members maintained by the Company/ List of Beneficial Owners provided by the Depositories as on the Record Date in proportion of 1:3 i.e. 1 (One) equity share of nominal value ₹10/- (Rupees Ten Only) each for every 3 (Three) equity shares of nominal value of ₹10/- (Rupees Ten Only) each held by Member(s)."

- (ii) **"RESOLVED FURTHER THAT** all such new equity shares as and when issued shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari-passu in all respect and carry same rights with existing equity shares of the Company and shall be entitled to participate in full in any dividend(s) and any other corporate actions to be declared after the bonus shares are allotted."
- (iii) **"RESOLVED FURTHER THAT** the allotment of new equity shares to the extent that they relate to Non-Resident Members, Foreign Portfolio Investors (FPIs), Persons of Indian Origin (PIO), Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, shall be subject to approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999, or any other Regulatory Authority, as may be necessary or applicable."
- (iv) **"RESOLVED FURTHER THAT** Board of Directors, be and is hereby authorized to make suitable arrangements to deal with the fractional shares arising out of the issue and allotment of the bonus equity shares for the benefit of the eligible Members, including but not limited to, allotting the total number of new equity shares representing such fractions to a Committee/ person(s) to be appointed by the Board of Directors who would hold them in trust for such Members and shall, as soon as possible, sell such equity shares at the prevailing market price and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in proportion of their respective fractional entitlements."
- (v) **"RESOLVED FURTHER THAT** in case of Members holding equity shares in dematerialized form,

the new equity shares shall be credited to their respective beneficiary account and in case of Members who hold equity shares in physical form, the share certificate(s) in respect of the new equity shares shall be issued/dispatched, as prescribed under law."

- (vi) **"RESOLVED FURTHER THAT** Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things whatsoever, including settling any questions, doubts or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by Statutory Authority(ies) and deemed fit and proper."
- (vii) **"RESOLVED FURTHER THAT** Board of Directors, be and is hereby authorized to delegate all or any of the powers conferred by this resolution to Committee(s) or any other Director(s), Company Secretary or any other Officer(s) of the Company to give effect to the foregoing resolution, with power to such Committee(s) to further delegate all or any of its powers."

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: 6th August, 2023

Notes:

1. Ministry of Corporate Affairs (MCA) vide Circular dated 28th December, 2022 read with Circular dated 5th May, 2020 has permitted to conduct Annual General Meeting (AGM) during Calendar Year 2023 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 34th 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 5th May, 2020 the matters of Special Business as appearing in items nos. 5 to 9 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) and 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("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), retiring by rotation and seeking re-appointment under aforesaid Item No. 3 and Dr. Saibaba Darbamura, (DIN: 10167281), Govt. Nominee Director, seeking appointment under Item No. 5 are annexed to this Notice.
5. None of the Directors of the Company is in any way related to each other.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Businesses, 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 evoting@kfintech.com.
8. The Board of Directors, in their meeting held on 05th November, 2022, had declared Interim Dividend of ₹5 per equity share of ₹10/- each i.e. 50% of the paid-up equity share capital for F.Y. 2022-23 and was paid on 30th November, 2022. The Board of Directors in their

meeting held on 31st January, 2023 had declared 2nd Interim Dividend of ₹5 per equity share of ₹10/- each i.e. 50% of the paid-up equity share capital for the F.Y. 2022-23 and was paid on 24th February, 2023. Members who have not received or not encashed their Dividend warrants may approach KFin Technologies Limited ("KFINTech"), Registrar and Share Transfer Agents of the Company for claiming dividend. The Board of Directors in their meeting held on 19th May, 2023 had recommended Final Dividend of ₹4.75 per share (i.e. @47.5% on the paid-up equity share capital) for the financial year 2022-23. The **Record Date** for determining the entitlement of the members for the Final Dividend is **08th August, 2023**. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, such dividend, subject to deduction of tax at source, will be paid/ dispatched on **11th September, 2023**. The **Record Date** for issuance of **Bonus shares** to the members is **12th September, 2023**.

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 for assistance in this regard.
10. Pursuant to provisions of Companies Act, 2013, unclaimed final dividend for the Financial Year 2014-15 and unclaimed interim dividend for the Financial Year 2015-16 have been transferred to Investor Education and Protection Fund (IEPF), established by Central Government. Pursuant to provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.powergrid.in).
11. Unclaimed final dividend for the Financial Year 2015-16 and unclaimed interim dividend for the Financial Year 2016-17 will be due for transfer to the Investor Education and Protection Fund in November, 2023 and April, 2024, respectively, pursuant to the provisions of Section 124 of the Act.
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 (07) Seven consecutive years. Members are advised to visit the web-link: <https://www.powergrid.in/details-shareholders> 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 33rd Annual General Meeting held on 29th August, 2022, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2022-23. Accordingly, the Board of Directors has fixed statutory audit fee of ₹1.59 Crore plus applicable taxes for the Financial Year 2022-23 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 2023-24. 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 2023-24.
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 Agents 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 28th August, 2023 through email at investors@powergrid.in.

18. In compliance with the aforesaid Ministry of Corporate Affairs (MCA) Circular dated 28th December, 2022 read with circular dated 5th May, 2020 and SEBI Circular dated 5th January, 2023, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company's website i.e. www.powergrid.in; websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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 is taxable in the hands of shareholders w.e.f. 1st 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 depository participant (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 11th August, 2023. Shareholders are requested to note that in case their PAN is not registered or invalid PAN, 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 (electronically), 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 11th August, 2023.

21. Annual Listing fee for the year 2023-24 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 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 circular dated 9th 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 9th 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:

Commencement of remote e-Voting: 9:00 A.M. (IST) on Sunday, 27th August, 2023

End of remote e-Voting : 5:00 P.M. (IST) on Tuesday, 29th August, 2023

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 at the AGM (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. **Wednesday, 23rd August, 2023**.
- 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. 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.

- 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 e-Voting at the AGM (Insta Poll) 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 in AGM and vote at the AGM.

Details on Step 1 are mentioned below:

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 National Securities Depository Limited ("NSDL")	A. User already registered for IDeAS facility: 1. Open https://eservices.nsdl.com. 2. Click on the "Beneficial Owner" icon under 'IDeAS' section. 3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". 4. Click on Company Name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. B. User not registered for IDeAS e-Services: 1. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Proceed with completing the required fields. C. By visiting the e-Voting website of NSDL: 1. Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Click on the icon "Login" which is available under 'Shareholder/Member' section. 3. 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. 4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 5. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 6. Shareholders/members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR Code mentioned below for seamless voting experience.



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, 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. Click on Company Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

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

- Initial password is provided in the body of the e-mail.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-Voting, you can

use your existing User ID and password for casting your votes.

- After entering the correct details, click on LOGIN.
- You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e., AGM" and click on "Submit".
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at savitajyoti@yahoo.com and may also upload the same in the e-Voting module in their login. The scanned image of the above documents should be in the naming format 'BFL_EVENT No.'
- In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-Voting User Manual available at the 'Download' section Tab placed on the bottom of the page <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

A. e-Voting at AGM (Insta Poll)

- Only those members/shareholders, who will be present in the AGM and who have not cast their vote through remote e-Voting and are otherwise not barred from doing so are eligible to vote.
- Members who have voted through remote e-Voting will still be eligible to attend the AGM.
- Members attending the AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- e-Voting at AGM will be available at the end of the AGM and shall be kept open for 15 minutes. Members viewing the AGM, shall click on the 'e-Voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the

credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

B. Instructions for members for attending the AGM

- Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-Voting login credentials and by clicking on the tab "video conference". The link for AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- Further, members registered as speakers will be required to allow camera during AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- Members may join the meeting using headphones for better sound clarity.
- While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from 27th August, 2023 (09:00 a.m.) (IST) up to 28th August, 2023 (05:00 p.m.) (IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Only questions of the members holding shares as on the cut-off date will be considered.

- A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "eAGM Tutorial" tab placed on top of the page.

- Members who need technical assistance before or during the AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

Procedure for Registration of email and Mobile: Holders of securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated 16th March, 2023, all holders of physical securities in listed companies shall register

the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite Form ISR-1 along with the supporting documents.

Form ISR-1 can be obtained by following the link:

<https://ris.kfintech.com/clientservices/isc/default.aspx>

Form ISR-1 and the supporting documents can be provided by any one of the following modes.

- Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India-500 032.

- Through electronic mode with e-sign by following the link:

<https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the demat account is being held.

24. OTHER INSTRUCTIONS

- 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 Sunday, 27th August, 2023 to Monday, 28th August, 2023.
- 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:

Smt. Rajith C., 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

- The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Wednesday, 23rd August, 2023** 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.
- 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 or e-Voting at the AGM, he/she may obtain the User ID and Password in the manner as mentioned below:
 - 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
 - Example for NSDL:
 - MYEPWD <SPACE> INI2345612345678
 - Example for CDSL:
 - MYEPWD <SPACE> 1402345612345678
 - Example for Physical:
 - MYEPWD <SPACE> XXXX1234567890
 - 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.
 - 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 einward.ris@kfintech.com.
- 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. 5

Appointment of Dr. Saibaba Darbamulla (DIN: 10167281) as Government Nominee Director.

Dr. Saibaba Darbamulla (DIN: 10167281), was appointed as a Government Nominee Director by the Govt. of India vide Ministry of Power Order No. 25-12/10/2019-PG dt. 17th May, 2023 and subsequently appointed by the Board of Directors as a Government Nominee Director of the Company w.e.f. 18th May, 2023 (i.e. the date of allotment of DIN) pursuant to Section 161(3) of the Companies Act, 2013. The above appointment of Dr. Saibaba Darbamulla as a Government Nominee Director on the Board of the Company, being liable to retire by rotation, requires approval of the Members in the General Meeting in terms of Regulation 17(IC) of SEBI Listing Regulations. Dr. Saibaba Darbamulla does not hold any shares 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. 5 as an Ordinary Resolution.

Brief profile of Dr. Saibaba Darbamulla is annexed to this Notice.

ITEM NO. 6

Ratification of remuneration of the Cost Auditors for the Financial Year 2023-24.

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 Shareholders. 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 2023-24 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 2023-24 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. 6 as an Ordinary Resolution.

ITEM NO. 7

To enhance borrowing limit from ₹6000 Crore to ₹8,000 Crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement for the Financial Year 2023-24.

Board of Directors of the Company, in their 405th meeting held on 6th 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's 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. Further, shareholder's in their 33rd Annual General Meeting held on 29th August, 2022 approved for raising of Domestic Bonds under private placement for ₹6000 Crore by passing special resolution.

The CAPEX for the financial year 2023-24 is ₹8800 crore, out of which an amount of ₹1984 Crore is spent till 30.06.2023 and balance ₹6816 Crore is to be spent over the balance period. It is expected that bids of approximately ₹50,000 Crore are to be floated by Bid Process Coordinator (BPC) in the next six months. Hence, the CAPEX of ₹8800 Crore is likely to go up to ₹10,000

Crore and debt component may go up from ₹6000 crore to ₹8000 crore.

Considering the above, POWERGRID's Board of Directors in their meeting held on 31st July, 2023 has approved to enhance the current borrowing limits from existing ₹6000 Crore to ₹8000 Crore during the financial year 2023-24.

In view of above, it was proposed to seek shareholder's approval to enhance the current borrowing limits from existing ₹6000 Crore to ₹8000 Crore during the financial year 2023-24 through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Bonds under Private placement from Domestic / external / overseas sources for financing capital expenditure of 2023-24, to provide Inter Corporate Loan(s) to wholly owned subsidiaries, Joint Ventures and other general corporate purposes.

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. 7 as a Special Resolution.

ITEM NO. 8

To raise funds up to ₹12,000 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 2024-25 in one or more tranches/offers.

Board of Directors of the Company, in their 419th meeting held on 31st July, 2023, 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 ₹12,000 Crore in one or more tranches depending upon the requirement of funds during the Financial Year 2024-25 for financing of POWERGRID's 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 ₹15000 Crore (approx.) is being considered as expected Capital Expenditure (CAPEX) during the financial year 2024-25, considering projects in hand and projected bidding by Bid Process Coordinator (BPC) in the next 12 months.

In order to have a debt equity mix of 80:20, an amount of ₹12,000 Crore is estimated to be mobilized as debt and balance from internal resources during the Financial Year 2024-25.

Presently, POWERGRID's domestic Bonds have been rated at highest credit rating (AAA) by various domestic Rating Agencies i.e. CRISIL, ICRA & CARE. Borrowing through domestic bonds is done by the Company at prevailing interest rates applicable to AAA rated PSU corporate bonds. Since, the rates of interest is a function of market conditions prevalent at the time of entering the market for a particular offer of bonds on private placement (including offer to Qualified Institutional Buyer/s), it is difficult to predict the cost of forthcoming bond issues. However, in line with the past practice, the interest rate on the proposed borrowings is also envisaged to be comparable to the interest rates of prevailing interest rates of AAA rated PSU corporate bonds.

The proposed borrowing for FY 2024-25 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. 8 as a Special Resolution.

ITEM NO. 9

To Capitalize Reserves of the Company and to issue Bonus Shares.

Department of Investment & Public Asset Management (DIPAM) had issued Guidelines on Capital Restructuring of CPSEs vide F.No.5 / 2 / 2016-Policy dated 27th May, 2016 providing a comprehensive approach for efficient management of its investment in CPSEs.

In pursuance of above guidelines, POWERGRID Board of Directors in their meeting held on 31st July, 2023, recommended issue of Bonus Shares in the proportion of 1:3 i.e. 1 (One) equity share of nominal value of ₹10/- (Rupees Ten Only) each for every 3 (Three) equity shares of nominal value of ₹10/- (Rupees Ten Only) each held by Member(s) on the Record Date, by capitalization of a sum not exceeding ₹2325,15,09,550 (Rupees Two Thousand Three Hundred and Twenty Five Crore Fifteen Lakh Nine Thousand Five Hundred and Fifty Only).

The proposed issue of Bonus Shares will be made in line with the provisions of Section 63 of the Companies Act, 2013, SEBI Listing Regulations and subject to such approvals, if required, from the statutory authority(ies). As per Article 49B of the Articles of Association of the

Company, approval of the Members for issue of Bonus Shares by capitalization of reserves of the Company is being sought.

In case of fractional entitlements arising out of the issue of bonus equity shares, the Board will make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, aggregating of such fractions and allotting the total number of new equity shares representing such fractions to a Committee/person(s) to be appointed by the Board who would hold them in trust for such Members and shall, as soon as possible, sell such equity shares at the prevailing market rate and the net sale proceeds of such shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members.

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.

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: 6th August, 2023

BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT

1. Directors seeking re-appointment at the 34th Annual General Meeting:

Name	Shri Abhay Choudhary
DIN	07388432
Date of Birth and Age	1 st July, 1964 /59 Years
Date of Appointment	1 st 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 37 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.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	1. POWERGRID Unchahar Transmission Limited 2. Central Transmission Utility of India Limited 3. POWERGRID Aligarh Sikar Transmission Limited 4. POWERGRID Sikar Transmission Limited 5. POWERGRID Narela Transmission Limited 6. POWERGRID Gomti Yamuna Transmission Limited 7. RINL POWERGRID TLT Private Limited 8. POWERGRID Neemuch Transmission System Limited 9. Butwal-Gorakhpur Cross Border Power Transmission Limited
Membership/ Chairmanship of Committees in other Companies	1. POWERGRID Unchahar Transmission Limited i) Chairman- Corporate Social Responsibility Committee ii) Chairman- Committee of Directors for appointments 2. Central Transmission Utility of India Limited i) Chairman- Corporate Social Responsibility Committee
Number of Meetings of Board attended during the year	12
Relationship between Directors inter se	NIL
No. of Shares held	1069

2. Director being appointed at the 34th Annual General Meeting:

Name	Dr. Saibaba Darbamulla
DIN	10167281
Date of Birth and Age	25 th February, 1969/54 Years
Date of Appointment	18 th May, 2023
Qualification	Graduate in Mechanical Engineering from the Council of Engineering Institutions, London, UK. He is Doctorate in Transportation Safety Area from Indian Institute of Technology (IIT), Delhi and Post-Graduate in Information Management from Management Development Institute (MDI), Gurgaon.
Expertise in specific functional Area	Dr. Saibaba Darbamulla belongs to Indian Railway Service of Mechanical Engineering cadre and joined in 1993. During the tenure of his career spanning more than 30 years till now, he had been at various positions on Indian Railways including Divisional Mechanical Engineer, Chief Public Relations Officer, Deputy Director (Rolling Stock) in world Bank aided railway rehabilitation project at Mozambique, Director (IPMD), Director (ISS), Director (Vigilance), Director (MPLADS) etc. His expertise, inter-alia, includes project planning & implementation, international tendering & procurement, information management system & data analytics, transportation safety & management, certified lead assessor of quality systems, implementation & monitoring of Central Government Schemes etc. He has experience of serving in Ministries related to core infrastructure in various capacities. Dr. Saibaba Darbamulla is presently working as Joint Secretary in the Ministry of Power.
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
Number of Meetings of Board attended during the year	NIL*
Relationship between Directors inter se	NIL
No. of Shares held	NIL

*Dr. Saibaba Darbamulla has been appointed as Govt. Nominee Director w.e.f. 18th May, 2023.



पावरग्रिड
POWERGRID

**1st INTEGRATED
ANNUAL REPORT
(2022-23)**

LEADING ENERGY TRANSITION FOR A SUSTAINABLE FUTURE





DHARAMPURI SUBSTATION

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CORPORATE INFORMATION

POWER GRID CORPORATION OF INDIA LIMITED

CIN: L40101DL1989GOI038121

Registered Office B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016 Phone No. - 011-26560112, 26560115 & 26560193	Company Secretary & Compliance Officer Shri Mrinal Shrivastava
Corporate Office “Saudamini”, Plot No. 2, Sector 29, Gurgaon - 122 001 (Haryana) Phone No. - 0124-2822999 & 2823999	Website: www.powergrid.in E-mail ID: investors@powergrid.in
For the Financial Year 2022-23	
Statutory Auditors 1. M/s. S. Ramanand Aiyar & Co., Chartered Accountants 108, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110001 Email: bala@sraco.in 2. M/s. Umamaheswara Rao & Co., Chartered Accountants Office No. 1205, 11 th Floor, Vasavi MPM Grand, Ameerpet X Roads, Hyderabad, Telangana-500073 Email: ucohyd@umrcas.com 3. M/s. B M Chatrath & Co LLP, Chartered Accountants #Centre Point#, 4 th Floor, Room No-440 21, Hemanta Basu Sarani, Kolkata, West Bengal-700001 Email: 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	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 2. M/s Bandyopadhyaya Bhaumik & Co. Cost Accountants, B-125, Chittaranjan Park, New Delhi-110019. Email: bbhco1994@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
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 Website: www.kfintech.com Bonds: BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3 rd 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	Bankers State Bank of India Indian Overseas Bank Union Bank of India HDFC Bank Ltd. ICICI Bank Ltd. Axis Bank IndusInd Bank Ltd. Punjab National Bank Canara Bank Bank of Baroda Bank of India
Shares and Bonds are Listed at: National Stock Exchange of India Limited BSE Limited	
Depositories: National Securities Depository Limited Central Depository Services (India) Limited	
Debenture Trustees	
For Bond Series XXVIII to XLI, XLIII to LVI and LVIII to LXXII Issue, GoI Bond IDBI Trusteeship Services Ltd. Universal Insurance Building, Ground Floor, Sir P.M. Road Fort, Mumbai - 400001 Phone: 022-40807000, Email: itsl@idbitrustee.com	

APPROACH TO REPORTING



This is Power Grid Corporation of India Limited's first Integrated Report for the reporting period FY 2022-23. As we embark on this journey, this report provides an overview of our financial and non-financial performance that have contributed to building both short and long-term value for our stakeholders adhering to the 3 key fundamental aspects of our sustainable business strategy, i.e. Environmental, Social, Governance (ESG). We consider our first Integrated report to mark a paradigm in being a medium to reflect and communicate our concerted efforts we have been making for the past many years in most effective and consistent manner and we strongly believe that it will be a stepping-stone towards an enlightening journey.

This Report is aligned to the International Integrated Reporting <IR> Framework, developed by the International Integrated Reporting Council (IIRC). In addition, this report is aligned (in reference to) to GRI Standards (2021) and Business Responsibility and Sustainability Report (BRSR) requirements laid down by Securities and Exchange Board of India (SEBI). Our Integrated Annual Report provides quantitative and qualitative disclosures on material topics and our relationship with our stakeholders.



REPORTING SCOPE AND BOUNDARY

Scope and Boundary: This company's financial statements and disclosures, including the Directors' Report, Management Discussion and Analysis, and Corporate Governance Report comply with the Companies Act of 2013 and its regulations, Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015. The non-financial section is guided by the International Integrated Reporting framework with guidance from the International Integrated Reporting Council (now the Value Reporting Foundation). Key Performance Indicators (KPIs) are prepared in reference to the Global Reporting Initiative (GRI) Standards. The Business Responsibility and Sustainability Report (BRSR) refers to the Ministry of Corporate Affairs' National Guidelines on Responsible Business Conduct, which align with the United Nations Sustainable Development Goals (UN SDGs) regarding environmental, social, and governance responsibilities of businesses.

All the non-financial aspects of POWERGRID for this reporting period covers the business activities of POWERGRID on a consolidated basis. (only covering the fully owned subsidiaries and excludes the Joint Ventures and Associate Companies for this reporting period). However, the financial performance wherever considered for any calculation/ reporting, has been done on a consolidated basis which includes all JVs, Subsidiaries and Associates.

REPORTING PERIOD

This Integrated Report covers financial and non-financial performance of the Company for the period covering April 01, 2022, to March 31, 2023. For certain key performance indicators (KPIs), comparative figures for the last three years have been incorporated in the report to provide performance trends.

FORWARD LOOKING STATEMENT

There may be some forward-looking comments in this report. These projections are based on our current expectations, intentions, and beliefs about the circumstances, actions, and events that will or could take place in the future. Forward-looking terms like "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will," or other similar words are typically used to identify such statements. A disclosure of the assumptions or other supporting information might be included in a forward-looking statement. These presumptions or bases were chosen by us in good faith, and we think they are reasonable in all relevant ways.

We do, however, caution you that the results implied by forward-looking statements and assumed facts or bases and actual results almost always differ, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can, depending on the circumstances, be material. It may be kept in mind that any forward-looking statement we make, whether in this report or elsewhere, only applies as of the time it was made. We cannot forecast future events or how they may affect us, thus there are always new challenges and uncertainties. After the date of this report, we are under no obligation to update or amend any forward-looking statements, and we have no plans to do so. Any forward-looking statement made in this report or elsewhere must be understood and interpreted in conjunction with this extra disclosure because it might happen or not given these risks and uncertainties.

THE YEAR IN A REVIEW



Dear Shareholders

My greetings and best wishes to you.

I am delighted to reach out to you and share the good tidings of stellar all-round performance by your Company for yet another year.

During 2022-23, POWERGRID added 2,972 circuit km of Extra High Voltage transmission lines, 28,990 Mega Volt Ampere of transformation capacity, and 9 new substations. Several important projects have been commissioned which include the 400kV D/c Jeerat (New) – Subhasgram line 400kV D/c Lower Subhansri-Biswanath Chariyali line-I, 400kV D/c Mohindergarh-Bhiwani line, etc. in the inter-state segment and the Bhind-Guna transmission system in Madhya Pradesh, Rampur-Sambhal Transmission System in U.P in the intra-state segment. In a first for the country, your Company commissioned a green field digital 220/66kV sub-station at Chandigarh during 2022-23. The Company made a capital investment of ₹ 9,212 crore and capitalized assets of ₹ 7,413 crore on a consolidated basis during the year.

On the operations front, transmission system availability of 99.82% was achieved and trippings per line were reduced to 0.27 during the year. These achievements demonstrate your Company's capabilities to maintain a large and complex transmission network consistently at high levels of operational performance. In the International Transmission Operation and Maintenance Study published in February'23, your Company has been recognized as a Best Performer (High Performance and Low Cost) both for transmission line and substation maintenance, and best in transformer maintenance. Keeping in view the growing cyber security concerns, a Cyber Security Operations Centre has been set up to monitor the network traffic.

The consolidated income of your company for the year 2022-23 was

₹46,605 crore, an increase of 9% compared to the previous year. The Profit After Tax for the year was ₹15,417 crore, which after excluding the exceptional items, is an increase of 11% over the previous year. We have declared and paid an interim dividend of ₹10 per share and proposed a final dividend of ₹4.75 per share which shall be paid upon your approval. The total dividend payout has been increased to 67% from 60% in the previous year, aligned with our policy to balance dividend payments and retained earnings for growth.

Our endeavors for growth have been successful in the traditional transmission business as well as in new areas. During the year your Company has been successful in winning 11 inter-state projects and has entered into an agreement with a large industry for the development of a dedicated transmission system on a bilateral basis. In the smart metering segment, your Company has been successful in receiving a mandate from the Gujarat Discoms (MVVNL and UGVNL) for the installation of more than 67 lakh meters under the DBFOOT model. Your Company has also approved the investment for installation of an 85MW solar power plant at Nagda, Madhya Pradesh which will be providing power for our captive needs as well as sale through exchanges.

Looking ahead, the commitment of our country to achieve 50% of electricity generation capacity through Non-Fossil sources by 2030 and the growing share of electricity in the overall energy mix would require significant investments in the transmission network, both at inter-state and intra-state levels. This would be further bolstered by the growing interest in Green Hydrogen and the plans to make India a leading exporter of Green Hydrogen. A number of transmission projects are expected to be offered for bidding over the next 12 months and your Company is well poised to grow its market share in this segment.

Cross-border inter-connections with our neighbouring countries such as Bangladesh, Bhutan, Myanmar, Nepal, and Sri Lanka and to inter-connect with the ASEAN countries will

improve and provide opportunities for growth. Your company has formed a joint venture with the Nepal Electricity Authority to set up the Indian portion of the Gorakhpur-New Butwal transmission link. It is my pleasure to share that the groundbreaking of this project was performed by the Honourable Prime Ministers of India and Nepal. Investment in the development of transmission infrastructure in Africa and other emerging countries is being pursued and there has been some progress in this direction, particularly in Kenya where your Company has partnered with AFRICA50.

The teleservices business of your Company is also growing, both in terms of network reach and revenues. The wholly owned subsidiary of your Company, POWERGRID Tele Services Ltd. (POWERTEL) has obtained a license for International Long Distance (ILD) services and the business transfer agreement to hive off the telecom business into POWERTEL has also been executed.

Your Company has a pivotal role to play in our country's energy transition journey, for the large-scale integration of renewables will require a strong, flexible, and resilient grid. I am confident that with its vast experience, committed and skilled manpower, and financial strength, your Company will continue to remain a leader in the Indian transmission sector and make a significant contribution towards India's energy transition. **To reduce the carbon footprint, your Company is committed to sourcing 50% of its energy from renewable sources by 2025, turning water positive by 2030, and becoming a net zero company by 2047. Your Company has published its 1st Integrated Annual Report (IAR) for the year 2022-23 and aligned reporting disclosures at par with global frameworks.**

On behalf of the Board of Directors of POWERGRID, I convey my sincere gratitude and thanks to you all for the trust reposed in and continued support to the management.

With the best assurances of our steadfastness to generate and deliver value to our esteemed shareholders,

Yours truly,

(K. Sreekant)

Chairman & Managing Director

Date: 6th August, 2023

Place : Gurugram

LETTER TO SHAREHOLDERS FROM CHAIRMAN & MANAGING DIRECTOR

ASPIRING TOGETHER



OUR VISION

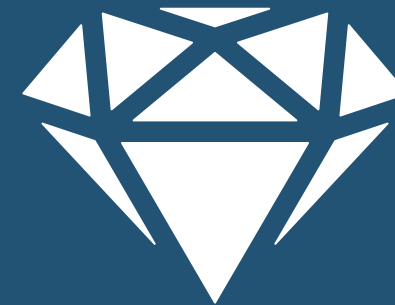
World Class, Integrated, Global Transmission Company With Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy.



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**

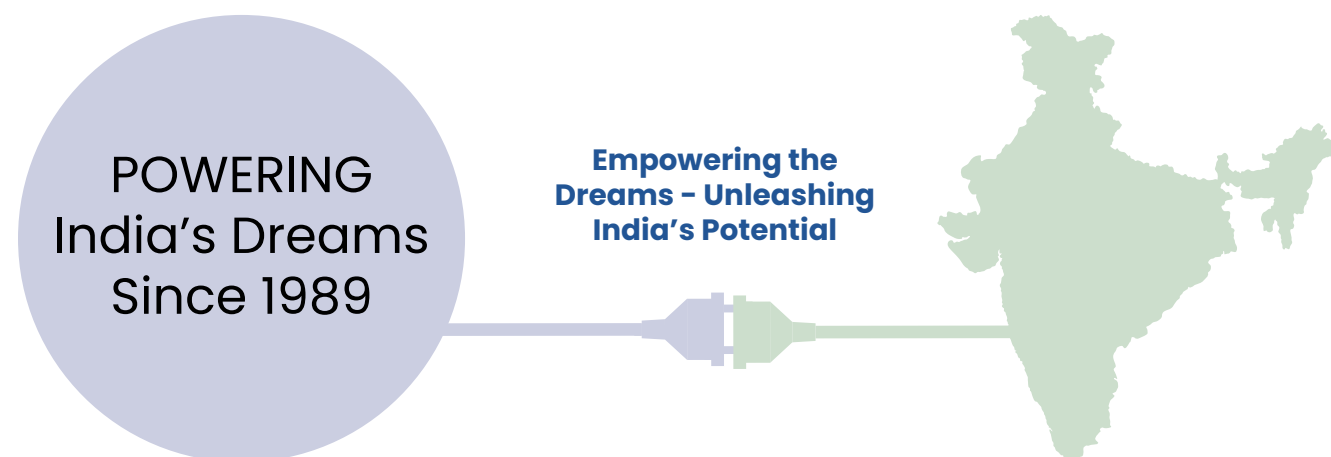


OUR VALUES

- 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 team-work
- Loyalty and pride in POWERGRID

INTRODUCTION

ABOUT POWER GRID CORPORATION OF INDIA LIMITED



“Powering India’s Dreams” stands as a visionary embodiment, reflecting India’s unwavering determination to achieve significant progress and comprehensive development across various sectors through the provision of electricity. It encapsulates the nation’s aspirations, symbolizing the idea of empowerment and harnessing India’s full potential.

Established in 1989 with an authorized capital of ₹ 5000 crore, Power Grid Corporation of India Limited (POWERGRID), formerly known as the National Power Transmission Corporation Limited (NPTC), has emerged as a significant player in the Indian power sector. From its inception, POWERGRID has evolved into a transformative force, shaping the landscape of progress and connectivity. With its headquarters firmly rooted in the bustling heart of National Capital Region of India, POWERGRID serves as an inspiring beacon, radiating its transformative influence across the nation. Strategic in its pursuit of operational excellence, the corporation has strategically established several regional offices, enabling seamless operations in diverse regions on pan india basis. These regional offices serve as the foundation of POWERGRID’s operational prowess, facilitating efficient power transmission and fostering a robust power ecosystem.

Driven by an unwavering commitment to meet India’s evolving energy needs, POWERGRID has orchestrated a transformative impact that reverberates throughout the nation. Through meticulous integration of the electric grid and expansion of transmission

infrastructure, POWERGRID has woven a formidable tapestry of transmission lines and substations. This interconnected grid breathes life into industries, empowers households, and propels the realization of India’s far-reaching ambitions. At the core of POWERGRID’s vision lies the promise of a prosperous future. It envisions a nation where industries flourish, rural communities thrive, and sustainable practices seamlessly intertwine with cutting-edge innovation. By delivering reliable and accessible electricity, POWERGRID empowers every Indian, fostering an environment where aspirations soar and the nation’s true potential is unleashed.

The journey of POWERGRID commenced in 1989 with a resolute goal – to pool expertise in the power sector, achieve economies of scale in EHV line design, construction, maintenance, and operation, and ensure the timely and cost-effective implementation of transmission line construction programs. Over the years, the Corporation has made remarkable strides in accomplishing these objectives. Embracing technological advancements and responding to the dynamic growth of the power sector, POWERGRID has expanded its operations, facilitating economic power exchange and supporting the development of renewable energy. Through the adoption of state-of-the-art communication technologies, software, and hardware for load dispatch and automatic generation control, POWERGRID has significantly enhanced the efficiency of its operations.

The journey of POWERGRID has been nothing short



of extraordinary. What commenced as an initiative to manage high-voltage transmission systems in 1989 has now transformed into India’s largest electric power transmission utility, proudly adorned with the prestigious status of ‘Maharatna’ bestowed by the Government of India. This phenomenal growth has been fuelled by unwavering perseverance, resilience, and an unyielding commitment to continuous improvement. As we look towards the future, POWERGRID stands poised for immense promise and opportunity. The power sector continues to evolve, and POWERGRID remains steadfast in its commitment to ensuring the timely delivery of power and the efficient

utilization of available resources. POWERGRID plays a pivotal role in driving India’s progress, empowering the dreams of millions, and propelling the nation towards a brighter and more prosperous tomorrow.

Welcome to the inspiring saga of POWERGRID, where dreams transcend boundaries, and the power of electricity fuels the journey towards a transformed India. Together, let us embark on this extraordinary voyage, as we unlock the true potential of our nation and etch an indelible mark on the mosaic of progress.

OUR HISTORY OF VALUE CREATION – CULTIVATING STRENGTH

POWERGRID has embarked on a remarkable journey of value creation in the Indian power sector. POWERGRID through its efficient and reliable transmission network, has been facilitating the smooth and uninterrupted supply of electricity, powering economic growth and improving the lives of millions of Indians. Alongside its core transmission business, it has diversified into telecommunications and consultancy services, further expanding its value proposition.



HERE'S A LOOK INTO OUR KEY MILESTONES IN OUR JOURNEY SPANNING OVER 3 DECADES

2008

- Attained Navratna status

2010

- 1st Follow-on public offer
- First standalone sustainability Report for 2008-09

2012

- Test Charged pilot 1200kV lines

2013

- One Nation- 'One Grid'- 'One Frequency' accomplished
- 2nd Follow-on public offer

2014

- Ranked Fastest Growing Electric Utility in the world (Platts top 250 Energy Companies)

2015

- Established National Transmission asset Management Centre (NTAMC)
- 800kV HVDC introduced in India

2019

- Attained Maharatna Status

2020

- First 400kV Digital Sub-station by retro fitting a conventional sub-station

2021

- First Infrastructure Investment Trust by CPSE
- Adoption of VSC based HVDC Technology in India

2022

- World 1st 400kV Reactor filled with safer and greener natural Ester Oil instead of regular synthetic Mineral Oil

2007

- 1st 765kV line & 1st GIS
- Initial Public Offering
- Listed on NSE & BSE

1998

- Attained Miniratna status
- Environmental and Social Policy & Procedures (ESPP) adopted

1989

- Company Incorporated



Uninterrupted power supply is the backbone of the India's economy underpinned by a strong transmission network. Through our strenuous efforts, we have been able to foster a vision that contributes significantly to the nation-building. **We are India's largest Power Transmission company** with a network of 174, 113 circuit kilometres (ckms), power transformation capacity of around 4,99,362 Mega Volt Amperes (MVA), and 272 substations spread across the length and breadth of the country.

We, at POWERGRID, have played an instrumental role in realizing the nation's vision of **One Nation One Grid One Frequency** which has led to the synchronization of all distributed regional grids. Our efforts align with the goal of sustainability as this enables the efficient utilization of limited natural resources by transferring power from resource-centric regions to load-centric ones.

We are devoted to the sustainable advancement and transformation of the Indian power industry and

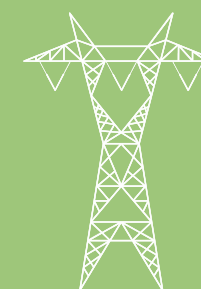
have been part of integration of renewable energy sources, such as solar and wind power, into the national grid. Fostering the culture of innovation, we have also enhanced our investments in research and development to improve the efficiency and reliability of the transmission system while lowering its overall ecological impact.

Leading from the forefront and capitalizing on our decades of experience we have built a unique technical expertise and the same is translated in our competence in implementing challenging transmission projects in the most difficult terrains of the country. **Our business operations are distributed into three segments, transmission, telecom, and consultancy. The transmission business segment being at the core accounts for more than 97% of total revenue from operations.**



765kV Bareilly Substation

OUR BUSINESS



TRANSMISSION



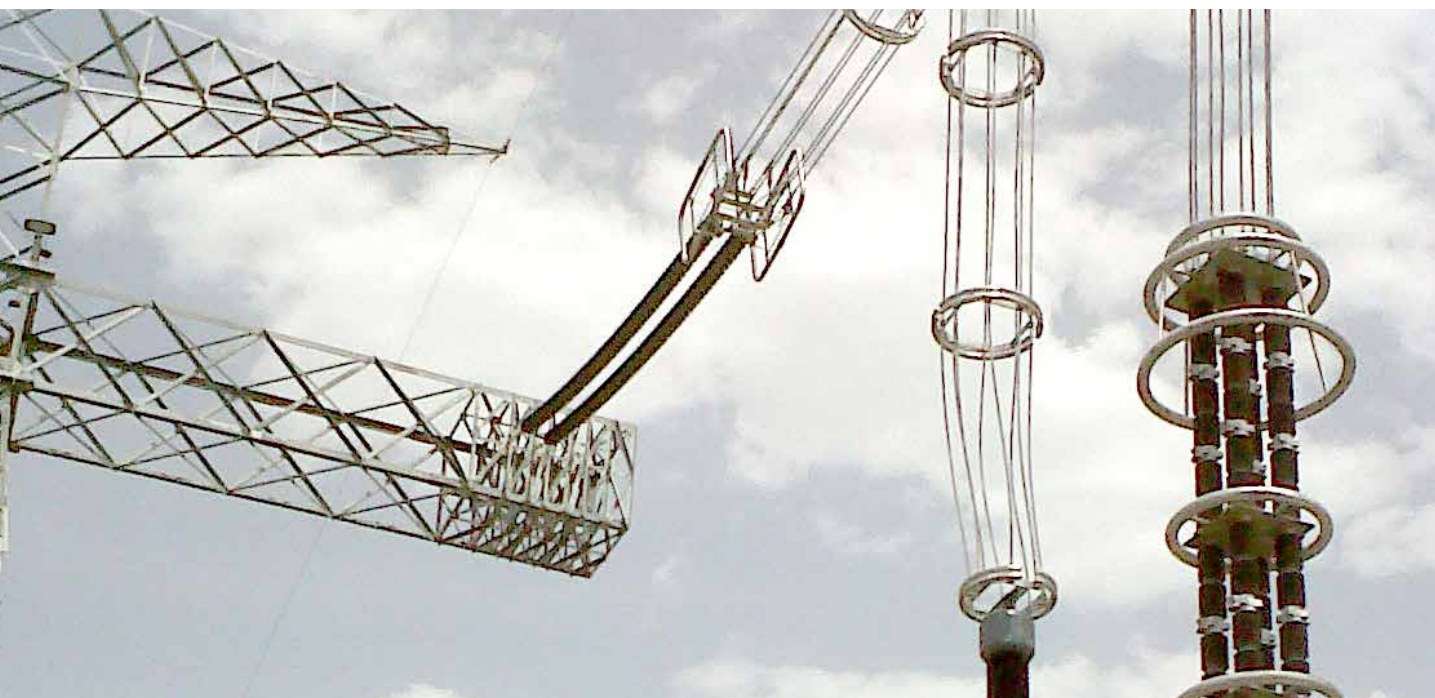
TELECOM



CONSULTANCY



NEW BUSINESS



TRANSMISSION BUSINESS

At the very heart of our operations lies the criticality of the power transmission system, serving as the vital conduit for delivering power to consumers and bridging the gap between generating stations and the distribution network. Since our inception, we have embarked on a resolute mission to develop and fortify a robust transmission system, characterized by a unified grid boasting a singular frequency – a visionary concept of “One Nation One Grid One Frequency.” This revolutionary approach facilitates seamless transmission of power generated from any corner of the nation to consumers far and wide.

We firmly believe that the strength of our transmission system and the integration of our national grid will assume a pivotal role in propelling the country towards the realization of its Nationally Determined Contributions (NDC) and targets laid out in the historic Paris Agreement. Embracing India’s unwavering commitment to transitioning towards cleaner energy sources, **we are happy to be contributing to India’s task of integrating 500 GW of non fossil fuel based generation capacity by the year 2030.** In pursuit of this ambitious goal, we fervently explore the boundless opportunities presented by the tariff-based competitive bidding (TBCB) framework for our inter-state and intra-state transmission operations, all while upholding our steadfast responsibility under the Regulated Tariff Mechanism.

In our unwavering dedication to the national cause, we continuously endeavour to make astute and forward-thinking business choices, strategically shifting our focus towards bolstering the resilience



of the transmission system for renewable energy generators. Recognizing the emergent business prospects in this domain, we ardently engage with state transmission companies (Transcos) to foster the development of robust intra-state transmission systems.

Driven by a profound sense of purpose and commitment, we are resolute in our quest to steer the nation towards a future fuelled by sustainable energy sources. With each step we take, we remain steadfast in our determination to establish a resilient and dynamic transmission system, poised to meet the evolving needs of the nation and spearhead India’s formidable strides in renewable energy deployment.



TELECOM BUSINESS

As the Indian landscape undergoes a magnificent transformation, poised to emerge as a digital-first economy, the demand for telecommunication services has surged to unprecedented heights. Recognizing this monumental shift, we, at POWERGRID, have harnessed the potential of our meticulously planned transmission infrastructure to usher in a new era of connectivity, creating substantial economic value while invigorating the Indian Telecom Sector.

POWERGRID with its brand name ‘POWERTEL’ in Telecom business is having pan India overhead Optic fiber network using Optical Ground Wire on power transmission lines and is offering transmission towers for Mobile Communications. With unparalleled determination and foresight, we have ingeniously deployed a cutting-edge fibre optic-based communication network, **that spans over 82,294 kilometers, with more than 3000 locations seamlessly dispersed throughout the nation.** Our resolute efforts have transcended geographical barriers, reaching even the remote corners of our beloved land, including the rugged terrains of Leh, Ladakh, and the enchanting North-eastern Regions. This extensive and reliable telecom network has

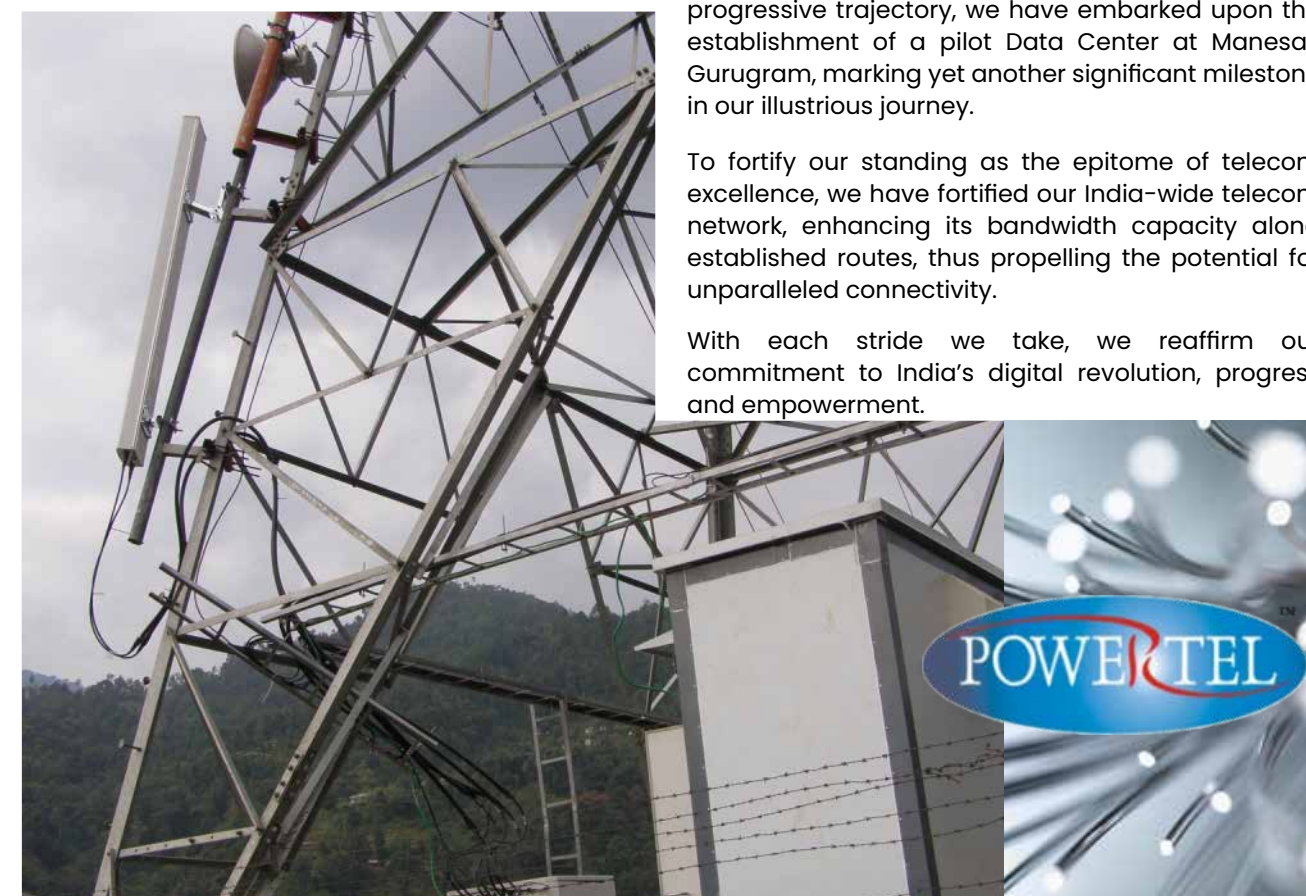
been a beacon of reliability and efficiency for our esteemed stakeholders, enhancing their operations and propelling their growth.

By virtue of our robust infrastructure, we have proudly catered to the diverse telecom service needs of customers including government departments, telecom service providers, internet service providers and esteemed global enterprises. Our unwavering commitment to progress is further exemplified through our invaluable partnerships with the Government of India’s Digital India initiative, actively participating in transformative endeavors such as the National Knowledge Network (NKN) and the pioneering Bharat Net projects.

Buoyed by our unwavering dedication, we relentlessly explore diverse business opportunities within the ever-evolving telecom segment. Our outlook encompasses the establishment of state-of-the-art data centers, poised to redefine the realm of digital infrastructure. Furthermore, we are venturing into the realm of International Long Distance (ILD) Bandwidth Business, to forge new frontiers and expand our footprint on the global stage. In alignment with this progressive trajectory, we have embarked upon the establishment of a pilot Data Center at Manesar, Gurugram, marking yet another significant milestone in our illustrious journey.

To fortify our standing as the epitome of telecom excellence, we have fortified our India-wide telecom network, enhancing its bandwidth capacity along established routes, thus propelling the potential for unparalleled connectivity.

With each stride we take, we reaffirm our commitment to India’s digital revolution, progress and empowerment.



CONSULTING BUSINESS

Deeply rooted in domain-specific knowledge, we have embarked upon a new frontier – consultancy assignments within both domestic and international markets. **Drawing upon the collective wisdom and unparalleled skillset of our highly adept professionals, we have extended our reach to 23 countries, cementing our commitment to expanding our global footprint while simultaneously providing innovative solutions, including the development of Power Transmission infrastructure under the esteemed Public-Private Partnership (PPP) framework.** Under the International Business, we are taking up Transmission Projects in Kenya and Tanzania jointly with Africa-50 on PPP Model.

Guided by drive to achieve world class performance in all spheres of transmission & distribution, we have extended our expertise to other stakeholders majorly state utilities, CPSEs, private developers etc., helping them achieve operational excellence. We strive to have early adoption of technological solutions

available world wide especially in transmission and have successfully demonstrated their commercial roll out at par with the best of operational & commercial efficiency. These endeavors have helped in achieving paradigm shift in evolution of Indian transmission sector resulting in integration of national grid. We are engaging with various state Transcos, power utilities and DISCOMs for development of intra-state system along-with creation of distribution smart metering infrastructure.

Our ability to manage large and complex transmission infrastructure projects have been reckoned and we are providing techno managerial support to flagship schemes of Government of India and State Governments in creating resilient transmission infrastructure across country. We expect such cooperation will be further continued as Nation inches towards achieving 500 GW non-fossil based generation capacities by year 2030.



POWERGRID and Africa50 in Joint Development Agreement, to pioneer Africa's first transmission PPP project in Kenya



NEW BUSINESS AREAS

At POWERGRID, we are thrilled to open our doors and serve our community with passion, innovation and excellence. We are committed to provide exceptional services and create a memorable experience for each one of our valued customers. The Smart Grid provides a platform where technology meets sustainable energy management. It is an intelligent and interconnected electrical system that leverages digital communication, automation and digital analytics to optimize energy efficiency, reliability and cost effectiveness. Smart Grid enhances grid reliability by quickly identifying and resolving power outages, optimizing energy distribution and minimizing downtime.

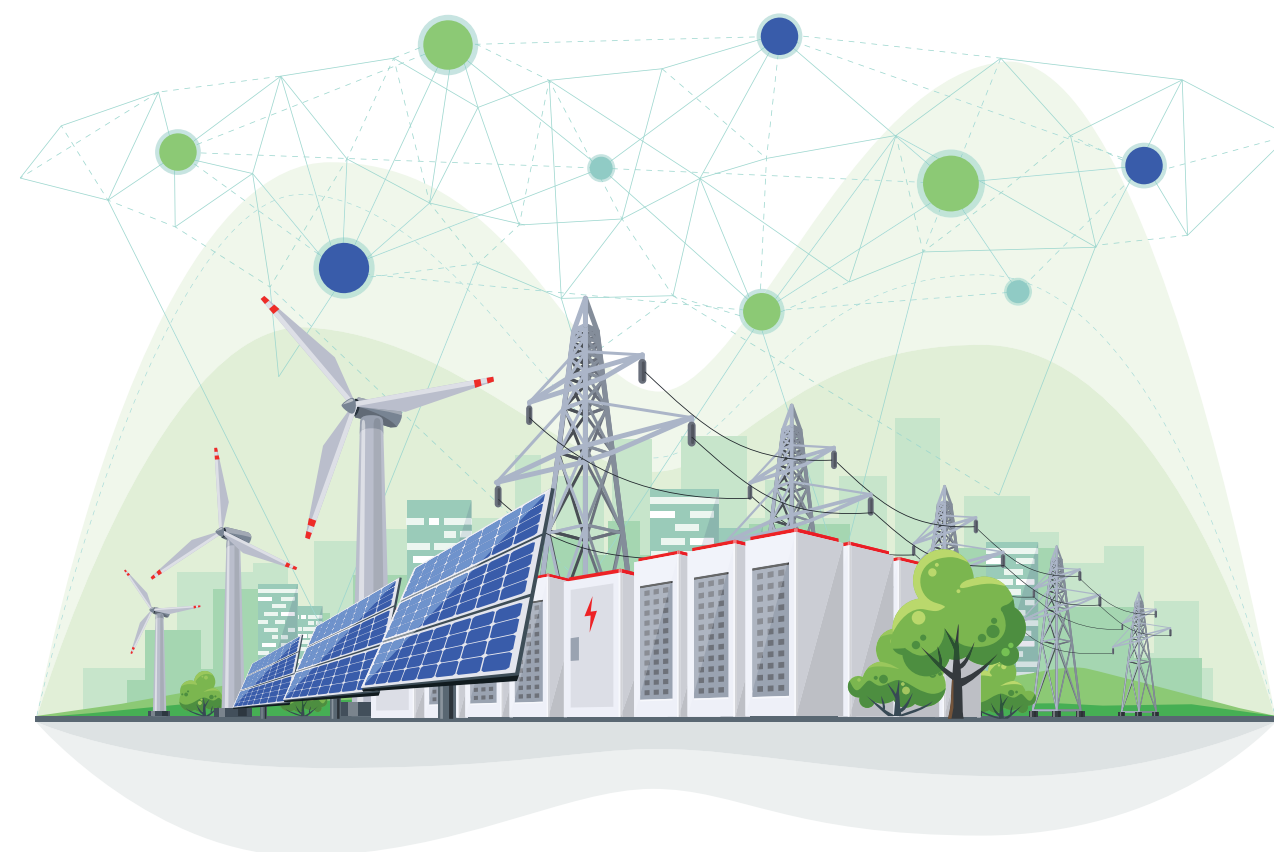
The Battery Energy Storage Systems (BESS) is an automation where cutting- edge technology meets energy efficient management. These systems utilize rechargeable batteries to store excess energy during times of low demand and discharge it when demand is high, providing numerous benefits to the grid, businesses and consumers. In SolarPower Generation, the sun's abundant energy is harnessed to provide clean and renewable electricity. It represents a pivotal shift in our approach to energy production, offering a sustainable and environmental- friendly alternative

to traditional fossil fuel- based sources, which in turn significantly reduces our carbon footprint.

The Integration of Solar Power Project represents a transformative approach to incorporate solar energy into the broader energy landscape, maximizing its potential and optimizing its benefits. It also promotes grid stability and reliability. Dedicated Transmission System provides reliable and efficient electricity supply specifically tailored to the needs of Government, Private Utilities and other bulk consumers. These systems are designed to handle the higher loads and specialized voltage requirements ensuring a reliable and stable power supply to support their operations.

We are also taking up the construction of Transmission System for Private players as part of our domestic consultancy. POWERGRID is also engaging with prospective DISCOMs for installation of smart meters under Design, Build, Finance, Own, Operate, Transfer (DBFOOT) model.

Through our new lines of businesses, we are continuously striving to meet the evolving needs of our customers and make a positive impact on the society.





LEADING ENERGY TRANSITION FOR A SUSTAINABLE FUTURE

In this pivotal moment in history, the journey towards a sustainable energy future has become the defining mission for our generation. At POWERGRID, we stand at the forefront of this transformative endeavor, recognizing that our actions today will shape the destiny of generations to come. With a profound sense of responsibility, we embark on a resolute path to usher in a cleaner, greener and more sustainable future for our beloved country.

With every step we take, we reaffirm our commitment to address the daunting challenges posed by climate change and pollution. As we forge ahead, we

strengthen energy security of the nation, insulating ourselves against uncertainties and vulnerabilities. Yet, our pursuit goes beyond mere survival; it seeks to nurture a better quality of life for every individual in our nation.

As we navigate this extraordinary transition, we acknowledge that the task at hand demands a comprehensive, holistic, and multi-faceted approach. Our vision extends far beyond the boundaries of any single entity; it requires a collective effort involving governments, businesses, communities and individuals, all united in the pursuit of a common

goal. Together, we are orchestrating a symphony of change that harmonizes renewable energy sources, advances energy efficiency, and embraces cutting-edge technologies that mitigate carbon emissions and foster sustainable development.

Guided by visionary leadership and anchored by robust policy frameworks, we realize that substantial investments are indispensable. This financial commitment is not merely an expense, but an investment in the well-being of our planet and its inhabitants. Moreover, our unyielding dedication to research and development empowers us to explore innovative solutions that will redefine the very fabric of our energy landscape.

At the heart of our mission lies the essence of engagement — engagement with stakeholders, engagement with the public and engagement with the potential of a brighter tomorrow. For it is in the synergy of ideas, perspectives and aspirations that the true power to bring about change resides. Through widespread public awareness and engagement, we kindle the flames of transformation that illuminate the path to a sustainable future.

In the digital age, we embrace the tremendous potential of technology to catalyze our efforts. Digitalization becomes the driving force behind an interconnected, intelligent energy grid—one that maximizes efficiency, minimizes waste and empowers consumers to actively participate in shaping their energy choices.

Leading the energy transition is more than just a necessity; it is a profound opportunity—to build an amalgamation of resilience, prosperity and harmony. It is a call to action that beckons us to unite in our collective determination to transform our energy systems for the greater good.

At POWERGRID, we stand firm in our resolve to walk the path of sustainability. We pledge to implement these strategies with unwavering dedication, for it is only through action that dreams turn into reality. Together, hand in hand, let us light the way to a future that is not just environmentally sustainable, but also economically prosperous and socially equitable. Let us be the architects of a brighter, cleaner, and more resilient tomorrow.



AWARDS, ACCOLADES AND CERTIFICATIONS



- 24th Platts Global Energy Awards - Corporate Impact Award - Critical Response category. POWERGRID has been recognized for its contribution on providing immediate help to children in distress situations who have lost their parents or primary caregivers because of communal, caste, ethnic and terrorist violence.
- CSR World Leader 2022 and International CSR Excellence Award 2022 by The Green Organization, London, UK.
- Dun & Bradstreet PSU and Government Summit 2022 in the Power Transmission (Central PSUs) category.
- Dun & Bradstreet India's Top 500 Companies 2022 in Power Transmission & Distribution sector.
- Ministry of MSME recognized POWERGRID for highest procurement (% wise), from women MSEs, amongst Maharatna CPSEs during FY 2021-22.
- Ranked 1st in Services Sectors across categories Gross Block, Value Addition, Net Profit, Net Worth, Dividend Declaration, and Contribution to the Central Exchequer in the Public Enterprises Survey 2021-2022 by the Department of Public Enterprises.
- Recognized as Top 100 Best Companies to Work for in India 2022 by GPTW India with unique distinction as the only PSU in Top 100.
- Recognised as one of the 'Best Organisations For Women-2023' by Economic Times.
- The project on "Automatic identification and preparation of defect reports from tower photos captured during transmission line inspection using Artificial Intelligence" has been awarded in Diamond (1st) category by India Smart Grid Forum(ISGF).
- Conferred five awards i.e. CSR Leader of the Year, Environment & Sustainability, Nation Building, Research & Innovation and Digital PSU by Governance Now at the 9th PSU Awards Ceremony.
- Conferred with prestigious award "Silver Shield - ICAI Awards for Excellence in Financial Reporting" for the year 2021-22 in the category of "Infrastructure and Construction Sector" by Institute of Chartered Accountants of India (ICAI).
- Awarded for extensive procurement through Government e-Marketplace (GeM) portal.
- CBIP Award for 'Best Performing Power Transmission Utility - Central Sector'.



Certifications



ISO 50001: 2018
Energy Management System



SA 8000: 2014
Social Accountability System



PAS 99:2012
Integrated Management System



ISO 9001: 2015
Quality Management System



ISO 27001: 2013
Information Security Management System



ISO 14001:2015
Environment Management System



ISO 45001:2018
Occupational Health & Safety Management System

REPORT AT A GLANCE

Financial

Revenue from Operations	₹ 45,581 Cr
EBITDA	₹ 40,434 Cr
PAT	₹ 15,417 Cr
EPS	₹ 22.10
Gross Fixed Assets	₹ 2,70,108 Cr
Dividend Pay-out Ratio as % of PAT	67%

Operational

Transmission Lines Added	2,972 cKMs
New Sub-Stations Added	9
Transformation Capacity Added	28,990 MVA
Availability	99.82%
Trippings per line	0.27

Environmental

Renewable Energy generated	8567 MWh (8.03% increase from last reporting year)
Increase in Emission Offset compared to last year	6.10%
Waste Recycled & Reused	91.92%
Increase in Ground water recharge compared to last year	25%
Energy saved	12248 MWh
Reduction in Energy Intensity compared to last year	8.74%
Reduction in Emission Intensity compared to last year	8.63%

Social

CSR Expenditure	₹ 321.66 Cr
Projects Completed (Nos.)	135
Total Employees (Nos.)	8342
Average Training Man-days per employee	7.40
Women in the workforce	8.15%

HISTORICAL FINANCIAL SUMMARY

(Standalone)

(₹ in crore)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
(A) TOTAL INCOME :					
Revenue From Operations					
Transmission Revenue	40,619.30	37,812.44	36,120.92	33,932.94	32,616.99
Other Operative Revenue – Transmission	1,485.48	787.27	336.00	943.41	227.95
Consultancy Revenue	509.29	753.34	501.28	610.98	610.93
Telecom Revenue	728.98	580.34	707.45	698.21	663.25
Revenue From Operations	43,343.05	39,933.39	37,665.65	36,185.54	34,119.12
Other Income	2,625.02	2,402.48	2,861.46	2,132.43	1,498.95
Total Income	45,968.07	42,335.87	40,527.11	38,317.97	35,618.07
(B) EXPENSES :					
Employee benefits expense	2,504.96	2,234.76	2,110.74	1,959.47	1,783.57
Finance costs	9,744.25	8,210.94	8,501.01	9,813.62	9,091.42
Depreciation and amortization expense	12,939.88	12,550.58	11,711.68	11,073.18	10,200.67
Other Expenses	3,564.29	2,771.62	2,498.97	2,824.35	3,053.43
Total Expenses	28,753.38	25,767.90	24,822.40	25,670.62	24,129.09
Profit before Exceptional Items, Tax & Regulatory Deferral Account Balances	17,214.69	16,567.97	15,704.71	12,647.35	11,488.98
Exceptional Items	-	(3,759.51)	1,078.64	-	-
Profit Before Tax & Regulatory Deferral Account Balances	17,214.69	20,327.48	14,626.07	12,647.35	11,488.98
Tax expense:					
Current Tax	2,913.67	3,282.06	2,529.11	2,230.74	2,489.43
Deferred Tax	(775.57)	(571.00)	560.03	1,288.83	(3,465.87)
	2,138.10	2,711.06	3,089.14	3,519.57	(976.44)
Profit for the period before Regulatory Deferral Account Balances	15,076.59	17,616.42	11,536.93	9,127.78	12,465.42
Net Movement in Regulatory Deferral Account Balances–Income/(Expenses) (net of tax)	256.43	(522.66)	398.85	1,683.40	(2,526.87)
Profit after Tax	15,333.02	17,093.76	11,935.78	10,811.18	9,938.55
Other Comprehensive Income	(106.70)	290.93	25.36	(104.02)	(16.30)
Total Comprehensive Income for the period	15,226.32	17,384.69	11,961.14	10,707.16	9,922.25
Dividend	8,544.93	10,811.96	6,821.99	4,425.92	4,514.87
Dividend Tax	-	-	-	858.69	909.57

HISTORICAL FINANCIAL SUMMARY

(Standalone)

(₹ in crore)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
FINANCIAL POSITION					
(A) ASSETS					
Gross Property, Plant and Equipment	253,484.72	247,661.53	232,130.94	213,210.18	195,833.62
Gross Intangible assets	2,339.08	2,292.17	2,153.38	1,980.66	1,959.07
	255,823.80	249,953.70	234,284.32	215,190.84	197,792.69
Less: Accumulated Depreciation	83,546.25	70,221.94	57,340.82	45,354.41	33,932.71
Net Property, Plant & Equipments and Intangible Assets	172,277.55	179,731.76	176,943.50	169,836.43	163,859.98
Investment Property	-	-	0.03	0.03	0.03
Capital work-in-progress	7,668.13	7,344.46	17,896.67	30,180.08	33,364.02
Intangible assets under development	31.08	31.53	74.86	219.55	214.06
Non Current Financial Assets					
Investments	7,414.95	7,228.53	4,265.36	3,763.66	2,756.53
Trade Receivables	695.57	-	-	-	-
Loans	16,897.29	14,269.78	10,474.09	12,783.75	10,708.99
Other non-current financial assets	4,170.04	(*) 4,389.46	(*) 4,574.48	4,106.80	4,548.37
Other non-current assets	4,912.17	4,797.73	4,744.56	6,127.18	5,065.44
Current assets	(*) 21,943.02	(*) 20,111.35	(*) 24,692.38	18,409.12	17,872.31
Regulatory Deferral Account Balances	10,283.76	9,973.04	10,606.35	10,123.06	8,083.27
Total Assets	246,293.56	247,877.64	254,272.28	255,549.66	246,473.00
(B) LIABILITIES					
Borrowings					
Non Current Borrowings	11,389.29	11,419.40	12,908.07	13,542.11	13,103.91
Current maturities of Non Current Borrowings	12,003.61	15,165.87	12,171.41	9,558.53	10,746.85
	12,589.90	12,936.52	14,125.18	14,497.96	14,178.63
Other non-current financial liabilities (**)	3,626.30	3,550.04	3,714.05	3,515.63	3,897.44
Non Current Provisions	577.61	517.05	461.93	424.71	368.15
Deferred tax liabilities(Net)	10,631.12	11,424.78	11,941.88	11,381.85	10,093.02
Other non-current liabilities	197.10	240.89	218.06	361.04	486.57
Current liabilities (**)	24,373.66	32,279.37	29,523.30	29,089.61	32,114.14
Less: Current maturities of Non Current Borrowings	12,003.61	15,165.87	12,171.41	9,558.53	10,746.85
Net Current Liabilities	12,370.05	17,113.50	17,351.89	19,531.08	21,367.29
Deferred Revenue	10,163.52	9,514.54	9,754.15	10,916.02	9,457.03
Total Liabilities	163,460.60	171,726.07	184,693.44	191,109.97	187,455.86
(C) NET WORTH					
Equity Share capital	6,975.45	6,975.45	5,231.59	5,231.59	5,231.59
Other Equity	75,857.51	69,176.12	64,347.25	59,208.10	53,785.55
Net worth	82,832.96	76,151.57	69,578.84	64,439.69	59,017.14
CAPITAL EMPLOYED	169,846.91	167,563.74	172,112.58	159,155.94	149,618.15
(Net Fixed Assets+Net Current Assets)					

HISTORICAL FINANCIAL SUMMARY

(Standalone)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
(D) RATIOS					
Net Profit to Capital Employed(%)	9.03	10.20	6.93	6.79	6.64
Net Profit to Net Worth(%)	18.51	22.45	17.15	16.78	16.84
Net Worth per Rupee of Paid-up Capital (₹)	11.87	10.92	(##) 9.97	12.32	11.28
Debt/Equity Ratio (#)	60:40	63:37	67:33	69:31	71:29
Current Ratio	0.90:1	0.62:1	0.84:1	0.63:1	0.56:1
Earning per Share (Basic & Diluted EPS) (₹)	21.98	24.51	(##) 17.11	20.67	19.00
Book Value per share (₹)	118.75	109.17	(##) 99.75	123.17	112.81
Dividend per share (₹)	12.25	15.50	13.04	8.46	8.63
Capital Expenditure (including TBCB) on cash basis (₹ in crore)	8850	9426	11150	15313	25807
(E) OTHER IMPORTANT INFORMATION					
Length of Transmission Lines (CKT)	166,310	165,951	162,565	156884	153075
No. of Substations	259	257	250	244	242
Transformation capacity (MVA)	469,187	456,237	421,173	400269	365282
No. of Employees (\$)	8,710	8,970	9,258	9583	9886
Transmission Network availability (%)	99.82%	99.83%	99.82%	99.82%	99.71%

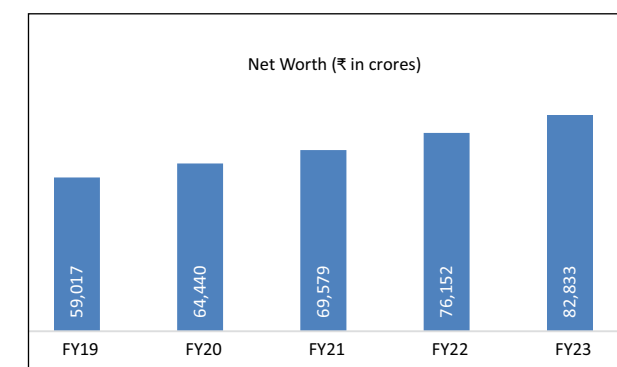
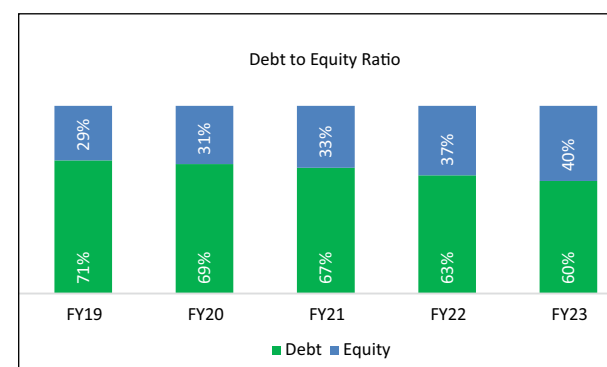
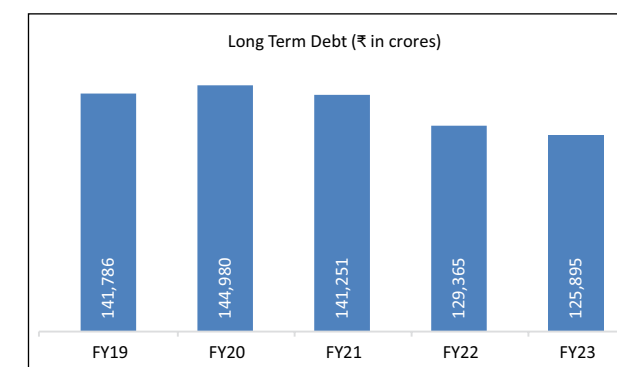
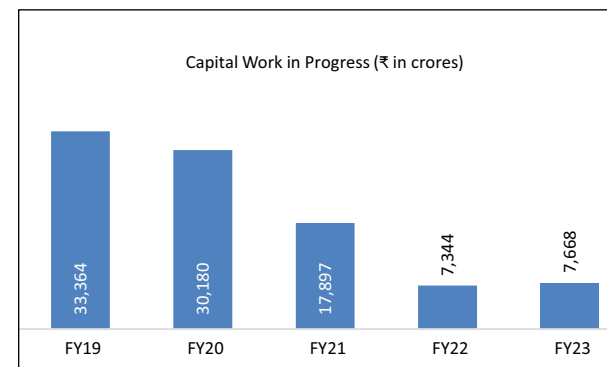
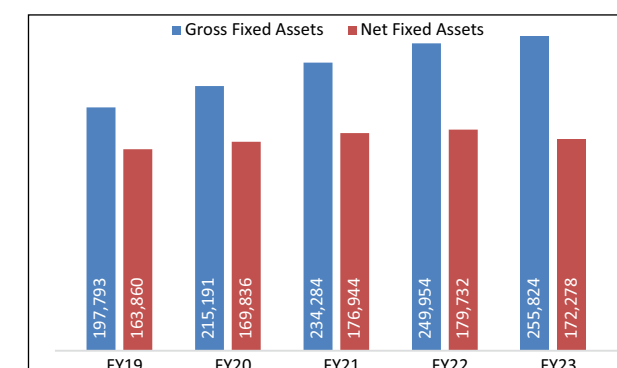
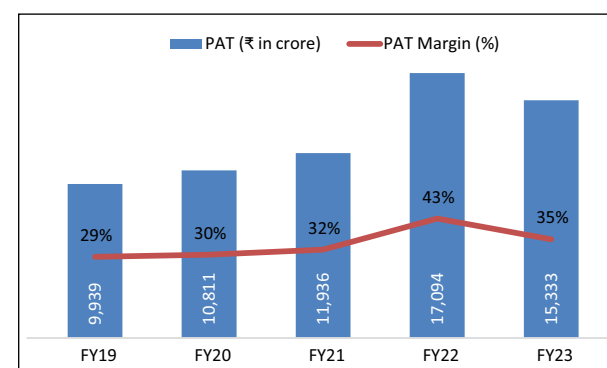
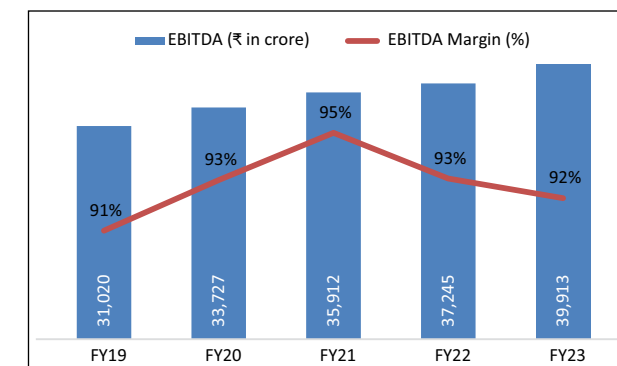
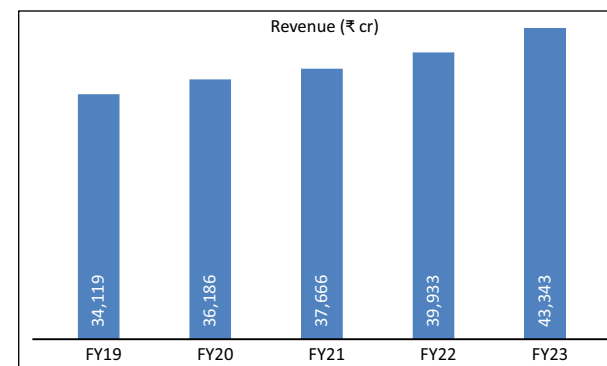
(*) Includes Assets Classified as Held for Sale

(**) Includes Lease Liabilities

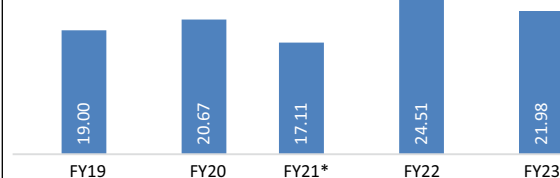
(#) For calculation of Debt-Equity Ratio, Loan liability also include Current Maturities of Long Term Loans.

(##) Adjusted for Bonus Shares

(\$)

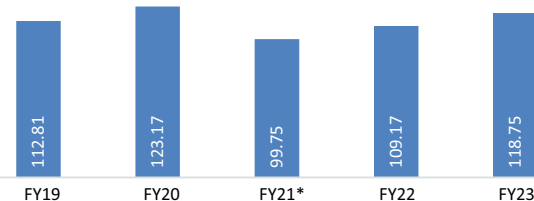


Earning Per Share (₹)



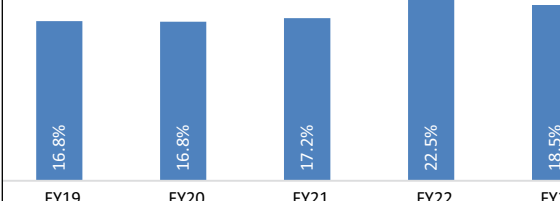
*Adjusted for Bonus Issue

Book Value per share (₹)

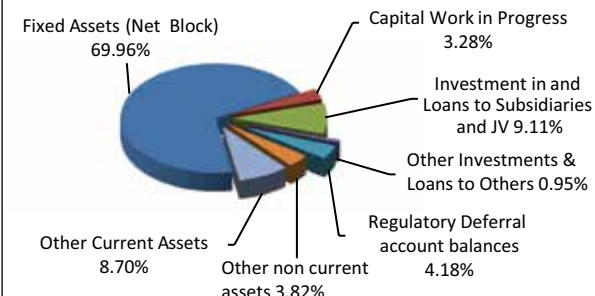


*Adjusted for Bonus Issue

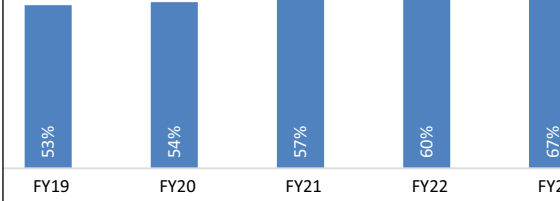
Return on Net Worth (%)



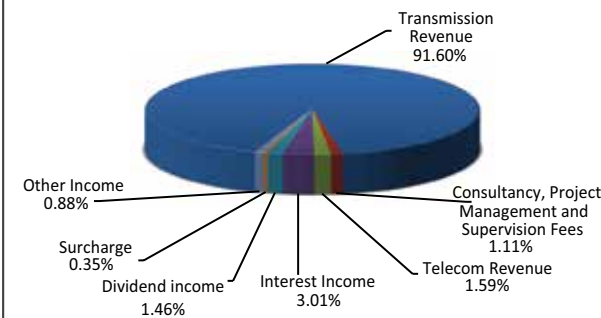
Application of Funds (%) - as at 31.03.2023



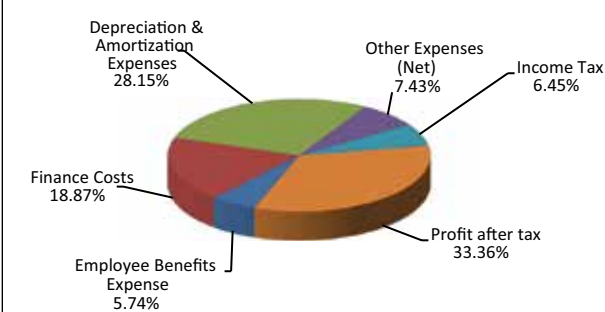
Dividend Payout (% of PAT)



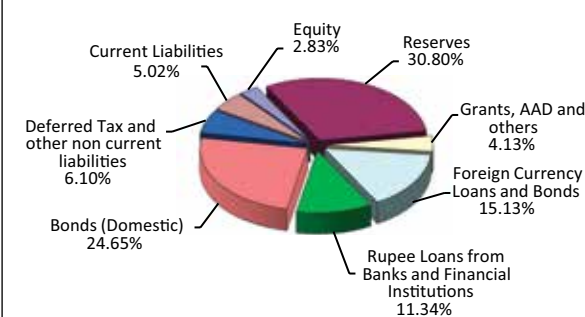
Income Break-up (%) for FY 2022-23



Distribution of Revenue (%) for FY 2022-23



Sources of Funds (%) as at 31.03.2023





SUSTAINABILITY STRATEGY

SUSTAINABILITY – YESTERDAY, TODAY AND BEYOND

POWERGRID's remarkable journey began with the purpose of fulfilling India's ambitious goal of providing electricity to every corner of the nation. However, our contribution to national development extends far beyond our transmission efficiencies. We have played a significant role in bringing India's sustainability vision to life.

India's unwavering belief in enabling a sustainable world is deeply rooted in its age-old philosophy of "Vasudhaiva Kutumbakam" (the world is one family). Inspired by this profound tradition, **POWERGRID has always viewed business, the environment and society as inseparable entities, intricately connected to one another. This steadfast commitment to responsible business practices was formalized in 1998 when we introduced our comprehensive Environmental and Social Policy & Procedures (ESPP). Notably, POWERGRID became the first Public Sector Undertaking in Asia to develop and disclose such a comprehensive policy document, addressing all pertinent sustainability aspects and seeking to internalize and address the potential externalities associated with our business processes.**

The ESPP serves as a guiding framework, articulating POWERGRID's approach to responsible business operations. Sustainability has been a strategic priority for us since our inception. We are mindful of our environmental and social impacts and recognize the

importance of avoiding, minimizing and mitigating which are embedded in our ESPP, any potential or actual adverse effects our business may have on the environment, society and the economy. We believe in taking a proactive approach, embedding sustainability into our overall strategy, and focusing on stakeholder value creation and positive societal impact through our business operations.

Our ESPP comprehensively addresses a wide range of environmental and social issues associated with our transmission projects. It aligns with relevant regulations and incorporates best practices to ensure the highest standards of sustainability. The comprehensive coverage of our ESPP is demonstrated by the certifications we have received from renowned multilateral funding agencies, including The World Bank and The Asian Development Bank (ADB). These agencies have recognized and certified our ESPP under their Use of Country System (UCS) and Country Safeguard System (CSS) respectively, after a rigorous and thorough review process.

In recognition of our sustainability efforts, The World Bank awarded POWERGRID with The Green Award in 2006, further validating our commitment to implementing the provisions of our ESPP. By adhering to our policy in its true spirit, we have enhanced transparency in project implementation, resulting in reduced legal liability and a stronger public image for our organization.



Monopole Tower

Beyond our domestic operations, we have internalized the concept of sustainability and extended our influence beyond Indian borders. With a vision that transcends national boundaries, we have expanded our reach to countries such as Nepal, Bhutan, Bangladesh and Myanmar, sharing our expertise and contributing to regional energy cooperation and economic expansion.

At POWERGRID, we take immense pride in being recognized as the most efficient power transmission company in India. One of our notable achievements in advancing sustainability is the implementation of the world's first multi-terminal ultra-high voltage direct current (UHVDC) transmission project. This groundbreaking project has significantly reduced losses during bulk power transmission across vast distances, enhancing the overall efficiency and dependability of the grid. Its success has garnered widespread acclaim and positioned us as pioneers in the industry.

Moreover, we have embraced the concept of Smart Grids, ensuring a responsive and reliable electricity supply for consumers while promoting resource efficiency and minimizing waste. Our Cross-Border Interconnections, such as the India-Bangladesh interconnection and the India-Nepal transmission line, have facilitated uninterrupted electricity transfer, fostering regional energy cooperation and opening doors for bilateral trade and collaboration.

Based on these fundamental principles as enlisted in our ESPP, we have formulated some basic working methodologies, which guide our efforts towards sustainability. A few of these are enlisted below-



Multicircuit Tower

GUIDING PRINCIPLES OF OUR EFFORTS TOWARDS SUSTAINABILITY



1. **Mandatory Environment & Social Assessment of Projects:**

Though, not mandated by the law of the land and inspite of the fact that Transmission Projects have minimal environmental & social impacts, POWERGRID conducts E&S assessment of all its upcoming projects by studying at least 3 nos of alternative routes/sites and the most optimal route/site having least E&S impacts is recommended for construction/implementation. This approach has served us well in avoiding/minimizing involvement of ecologically and socially sensitive areas such as Forests, Protected areas such as national Parks & Wildlife sanctuaries, Important wetlands, Tiger reserves, Historically & Archaeologically important areas, Human settlements, religious places etc to a great extent in our projects.

2. **Adoption of Renewable energy for internal consumption as well as acting as a facilitator for the integration of the same:**

POWERGRID has already committed to meet 50% of its internal energy needs from renewable sources by 2025 and achieve the status of Net Zero by 2047. In order to achieve these ambitious targets, we are on a path to adopt Renewable energy on a big scale. **Till March, 2023, we have already installed 8.2 MWp of solar capacity, which has resulted in the generation of 8567 MWh electricity.** Additionally, in order to, reduce diesel use in our organization, we have replaced **92 nos of diesel vehicles** with Electrical Vehicles.

Further, towards fulfilment of Gol's target of achieving 500 GW of non-fossil fuel based Capacity 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 highway corridors facilitating access to clean and affordable energy for every household.

3. **Taking care of our Water footprint:**

In our establishments, except for a small quantity of water as make-up water for cooling in our HVDC substations, use of water is largely confined to domestic purpose and gardening, in spite of the fact that water is not used for any industrial application. POWERGRID has adopted a well thought Water Management Policy, which envisages Net Water Positive status for the organization by 2030. **In FY 2022-23, a total of 27,77,668 KL of water was used in our organization, a good part of which was given back to the environment in the form of rainwater harvesting and ground water recharge.** On the qualitative front, our wastewater (> 99%), which is basically domestic sewage, gets treated either through Sewage Treatment Plants or Soak pits and treated water is reused internally and only a tiny part of domestic sewage is discharged in the public sewerage system.

4. **Conscious Consumption of Natural Resources & Responsible Waste Management:**

Recognizing the important role natural resources play in country's economy, POWERGRID is on a continuous endeavor to reduce the intensity of Natural resources use in its operations by adopting several innovations such as optimization of designs, adopting digital substations, using better and efficient conductors with higher current carrying capacity.



SITARGANJ SUBSTATION

In line with our Waste Management Policy and our goal to become a Zero Waste to landfill organization by 2030, we were able to dispose more than 90% of waste generated in our establishments through Recycling & Reuse, while only 8.08% of waste (largely domestic/residential) were handed over to local municipal bodies /authorized third parties for environmentally safe disposal.

5. Protecting & Creating Carbon sink:

POWERGRID is cognizant of the fact that while, on one hand, emission of green house gases has to be avoided/minimized, on the other hand, protection and creation of new carbon sink in the form of forests and trees has to be undertaken. By applying the stringent criteria of route selection and through adoption of modern techniques, POWERGRID has been able to progressively reduce involvement of forests, which was 6% in our lines in 1998 by more than 60% in the current FY, resulting in saving of around 26693 Ha of precious forest resources. Further, by the end of FY 2022-23, POWERGRID has undertaken plantation of around 656702 trees which facilitate absorption of 14296 tons of CO₂ annually.

6. Undertaking impactful CSR projects:

CSR activities form the backbone of our community relations. POWERGRID spends on socially relevant focus areas such as Rural Livelihood, education, Health, environment, skill development etc. The CSR projects are initiated based on Need Analysis Study of population based on a consultation process and after the completion of the projects, an Impact

Evaluation study is also conducted, in order to, analyze the accrued benefits to society. In the FY 2022-23, an amount of ₹ 321.66 Crore was spent on such schemes, against the allocated budget of ₹ 311.97 Crore.

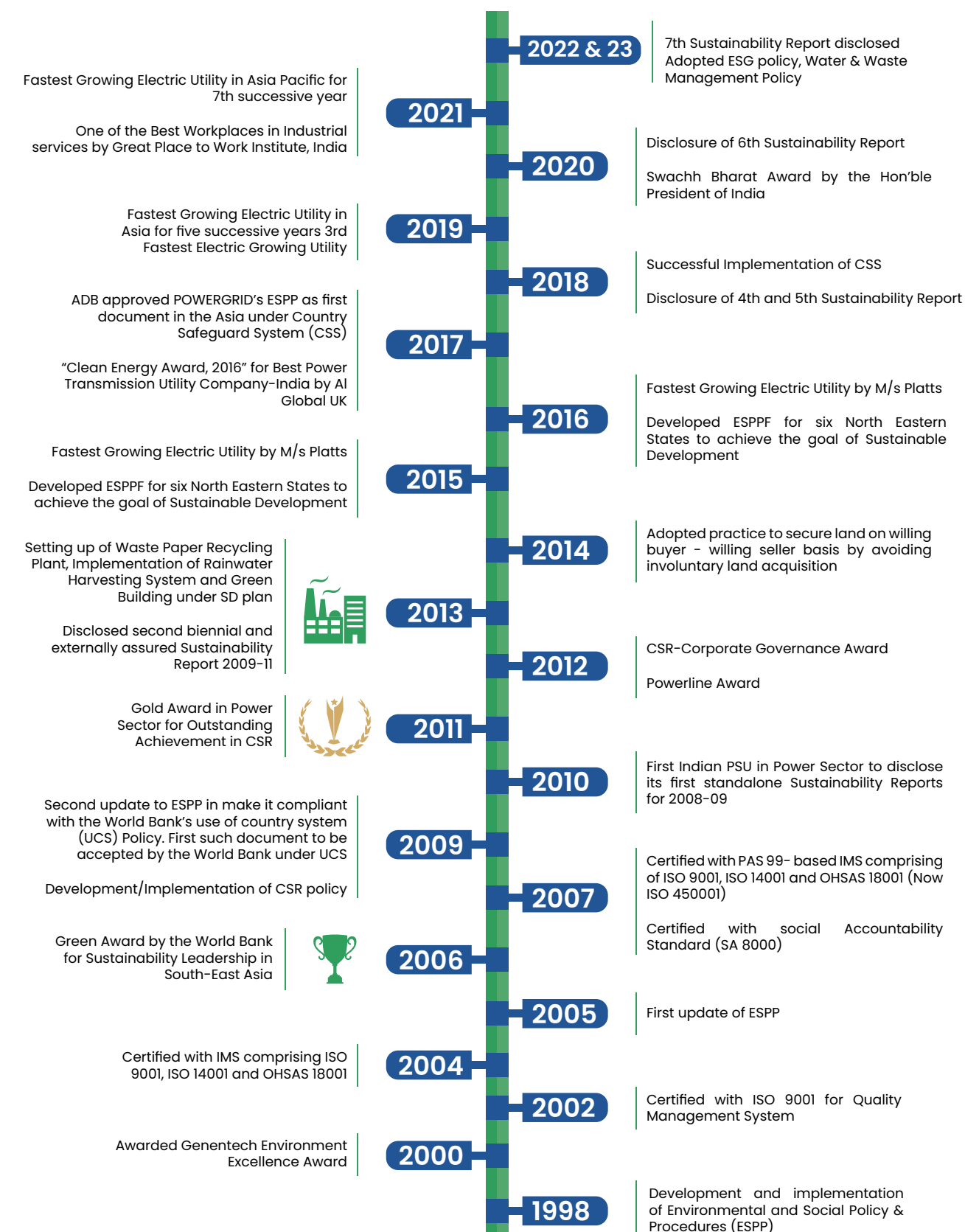
7. Proactive adoption of technology for Sustainability:

POWERGRID is on forefront of innovating and adopting modern technologies such as Multi-circuit towers, narrow base towers, better and more efficient conductors, preference of GIS in place of AIS in urban areas, replacement of synthetic oil with Ester oil for transformers, use of inductive power in earth wire for powering of telecom antennas, replacement of high SF₆ gas having high Global Warming Potential (GWP) with more environment friendly gases etc with an aim to further reduce its Environment & Social impacts.



Smart Class Room at Kanhirode, Kerala

OUR SUSTAINABILITY JOURNEY SPANNING OVER THREE DECADES



SUSTAINABILITY VISION FOR THE FUTURE

Inspired by our past achievements, we at POWERGRID are finding new and innovative ways to transition responsibly to a more sustainable and greener world. We, realise our onus to provide a resilient infrastructure that supports the nation's target of Net Zero by adopting renewable energy sources. We, are therefore continuously exploring and implementing ways to make our systems, processes and service offerings more efficient, environment friendly and socially inclusive. Our approach constitutes long-term goals and routine actions spread across the domains of Environment, Social, and Governance parameters, aligned with internationally accepted frameworks such as GRI, UN SDGs, etc.



Transition to low carbon operations:

Reducing carbon intensity across our operations and value chain

Conscious Consumption:

Judicious use of natural resources



Nurturing Workplace:

Prioritizing staff well-being through inclusivity and a positive work environment

Trusted Relationships:

Strengthening relationships with our stakeholders



Robust Governance:

Adherence to ethical business conduct and increased focus on transparency and integrity



MAKING TODAY BETTER

Aligned with our commitment to protect the future and our accountability to the present, our sustainability actions continue to be majorly driven by ESPP Policy. The policy rests on the fundamental principles of avoidance, minimization and mitigation of E, S and G issues followed by restoration and enhancement where necessary. Over the decades the policy has been reassessed and updated to innovate with the emerging environmental, social and economical risks and opportunities. The effectiveness of the fundamental principles of our ESPP can be gauged from the fact that forest involvement, which was 6% in our transmission lines in 1998, has reduced by around 60% in FY 2022-23.

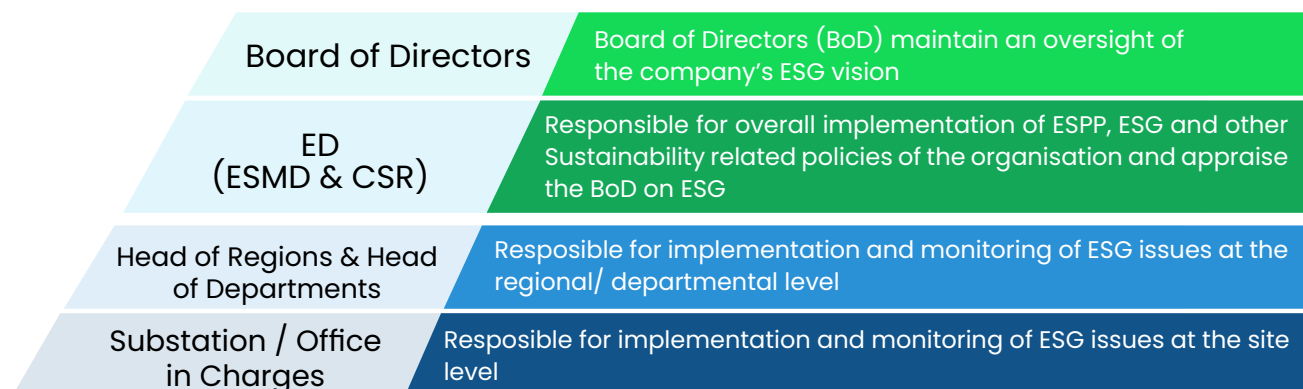
OUR ESG GOVERNANCE

Turning Sustainability Aspirations Into Actions

POWERGRID has adopted a proactive and rational approach to ensure responsible operations that entails strategically prioritising our significant Environment, Social & Governance (ESG) issues and taking agile actions to curtail them. The management of these issues is governed by a stringent ESG Governance mechanism.

We are cognizant of the fact that the energy demand is expected to grow multifold soon, resulting in evolving contours of business. This would pose many uncertain challenges and opportunities for us to reinvent our approach and embed more responsible and advanced systems and technologies.





ESG GOALS

As we proceed on our journey, we have established concrete targets in the environmental domain. As we look ahead, we plan to expand our focus to include targets in the social and governance areas as well.

Our commitment to the environment remains steadfast and we are dedicated to achieving measurable and tangible results. These targets are an essential part of our mission to create a sustainable and responsible impact on the planet.

As we move forward, we understand the significance of incorporating social and governance factors into our strategy. By doing so, we aim to enhance our overall sustainability efforts and ensure that our actions positively influence both society and the organization.

By setting targets in these three interconnected areas - environmental, social and governance - we believe we can pave the way for a more balanced and sustainable future. This approach aligns with our values and the expectations of stakeholders, guiding us towards a greater sense of purpose and accomplishment.

Through diligent planning, collaboration and adherence to best practices, we are confident in our ability to achieve these targets and make a meaningful difference in the world. As we continue this journey, we remain open to learning and adapting, striving to be responsible global citizen in every aspect of our operations.



Towards a Greener Future

On a firm path to become Net Zero organization by 2047

...

50% of internal energy use from renewable fuel sources by 2025

...

Becoming a Net Water Positive organization by 2030

...

Achieving the status of "Zero Waste to Landfill" by 2030



Towards a more Inclusive Society

Engage with communities to make a long term positive impact through various CSR initiatives

...

Holistic Reskilling and Upskilling Ecosystem for both Sectoral and Employee Empowerment

...

Prompt Grievance Redressal

...

Vendor Development Programs



Fostering Governance

Catalysing responsible business practices

...

Efficacy in disclosures to stakeholders

...

Whistleblowing and Fraud Prevention

...

Avoiding Conflict of Interest

INITIATIVES ALIGNED WITH UN SDGs

ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS (SDG)

As we reflect upon the transformative power of the United Nations Sustainable Development Goals (SDGs), it fills us with immense gratification and an overwhelming sense of pride. Even before the official adoption of these goals at the United Nations Sustainable Development Summit in September 2015, we had already embraced their visionary aspirations and embarked on a transformative journey. Our

unwavering commitment to the principles of Avoidance, Minimization and Mitigation, as enshrined in our Environmental and Social Policy and Procedure (ESPP), laid the foundation for our alignment with the SDGs.

Guided by an unyielding dedication to society, we have always embraced a proactive stance on matters pertaining to Environmental Excellence, Social Welfare and Climate Change. It is in this spirit that we forge ahead, seamlessly weaving the principles of the SDGs into the fabric of our business activities. Throughout the reporting period, we steadfastly upheld our past initiatives while embarking upon new endeavours that further propelled us on our path of sustainable progress.

Allow us to present a glimpse of a few of our initiatives, each serving as a testament to our resolute commitment to the SDGs and our unwavering determination to shape a future that leaves no one behind:



SDG Goals

FY 2022-23



Distribution of 625 Winter Blankets to underprivileged people for Rs. 4.47 lakh.

Purchase of 2850 Nos. of blankets of worth Rs. 4.97 lakh for distribution in Nadia District

Upgradation of 2 Angnanwadi Centers, Agra into Model Anganawadi at the cost of Rs. 4.63 lakh.

Development of Fruit Garden Saiblu, Manipur costing Rs. 10.25 lakh.

Distribution of relief materials to flood affected peoples of Guwahati and Rangia Circle for Rs.1.77 lakh

600 Nos. Stainless Steel Cookware Set under CSR to persons belonging to socio-economic weaker section of the society in Gurugram on the eve of New Year 2023 at the cost of Rs. 8.4 lakh.

Ring Gantry Linear Accelerator for Radiotherapy Treatment at Regional Cancer Centre, Thiruvananthapuram, Kerala to the tune of Rs. 2000.00 lakh

MRI machine with installation accessories to V.M.I., Palampur for Rs. 612.09 lakh.

Construction of Vishram Sadan at DMCH, Darbhanga at the cost of Rs. 440.13 lakh.

100 bedded Pediatric Intensive Care Unit (PICU) at GSVM Medical College, Kanpur UP at the cost of Rs. 350.13 lakh.

Advance support Ambulance, Medical equipment and Blood Bank vehicle to NHM Govt of Assam at Silchar for Rs. 156.00 lakh.

Medical equipment worth Rs. 150.00 lakh provided to ESI Hospital Faridabad

3 nos. Ambulances and construction of PHC buildings at Mallanwala & Kassowanna at Firozpur district, Punjab at the cost of Rs. 135.79 lakh.

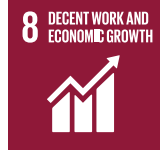
Medical equipment worth Rs. 57.12 lakh provided to Govt. CHC in Baytu, Barmer, Rajasthan

Medical equipment of worth Rs. 52.84 lakh for the Department of Respiratory Medicine, Institute of Post Graduate Medical Education & Research (S.S.K.M. Hospital) Kolkata

Medical equipment and Instruments of worth Rs. 25.90 lakh provided to Government Health facilities Sikkim.



SDG Goals	FY 2022-23
	Development of existing Nepura Bijli Rani High School at Garbeta, Paschim Medinipur for Rs. 11.20 lakh.
	Providing 200 projectors to Govt. schools in Rajasthan to the tune of Rs. 200.00 lakh.
	16 no. Double storey classrooms and providing benches for Govt Senior Secondary Girl School, Moga at the cost of Rs. 167.92 lakh.
	Smart class education in Govt. Excellence School, Mandla for Rs. 36.61 lakh.
	Construction of Researchers' Hostel at Jorhat Engineering College, Assam at the cost of Rs. 62.17 lakh.
	25 nos. of Computer set along with UPS to ITI Itarsi cost Rs. 11.58 lakh.
	Contribution to IIT Chennai for Merit-cum-Means (MCM) scholarship for B-Tech Students across IITs for Rs. 1797.60 lakh.
	Working Women Hostel, Nuh at the cost of Rs. 25.11 lakh.
	Training on Sewing Machine at Koteshwar costs Rs. 0.15 lakh.
	Furniture for Working Women Hostel, Mewat at the cost of Rs. 3.57 lakh.
	Prefabricated toilets at Railway Stations for Rs. 250.70 lakh.
	30 nos. submersible pumps along with water tank in Etawah of worth Rs. 47.14 lakh.
	Drainage at Dhakwa Bazaar of Pratapgarh District at the cost of Rs. 20.89 lakh.
	Installation of 250 Hand pumps in Deoria district of UP for Rs. 20.75 lakh.
	Supply & Installation of 02 Nos. High Mast lighting system & clean drinking water unit in Tumkur, Karnataka
	National Awareness Campaign on Energy Conservation through School, State & National level Painting Competition on Energy Conservation-2022 by Bureau of Energy Efficiency (BEE).
	Solar street light (LED) with panel at Diamond Park Damoh.

SDG Goals	FY 2022-23
	Organising job-oriented skill development training program for 160 youths in the field of Plastic engineering & Technology for under-privileged / unemployed youth at CIPET, Murthal, Sonapat, Haryana at the cost of Rs.129.31 lakh.
	Engagement of Apprentices for Rs. 487.16 lakh.
	Installation of LED Street Light in village roads under Polerhat-II Gram Panchayat, Bhangore-II, Development Block at the cost of Rs. 10.61 lakh.
	4 nos. of wheel chair for distribution to PH persons during the "Sarad Samman 2022" for Rs. 0.60 lakh.
	Tribal Hostel in Balrampur at the cost of Rs. 9.59 lakh.
	Providing Aids & Appliances of worth Rs. 169.19 lakh to PWDs at Nalgonda in Telangana and East Godavari Districts in Andhra Pradesh
 	26693 Ha of Forest saving due to use of modern tools & techniques in route selection of transmission lines.
	Commissioned world's first reactor with Natural ester oil in place of synthetic mineral oil.
	Development of Digital Substation resulting in reduced consumption of Natural resources like Copper.
	Improving Rural Livelihood through Integrated Watershed Management at Jaipatna Block of Kalahandi district in Odisha through ICRISAT for Rs. 91.61 lakh.
	Conservation of 1637872 KL of precious water resource through rainwater harvesting & Ground Water Recharge.
	Rural Development in Bhojpur District of Bihar under CSR at the cost of Rs. 11.75 lakh.
	Rest Shed, approach road, Bio-Toilet, tractor, Steel Water Tank etc. in Paschim Medinipur for Rs. 6.09 lakh.
	Repairing of road at village Panchgaon, Tehsil: - Manesar, Gurugram (Haryana) at the cost of Rs. 196.79 lakh.
	Construction of RCC culvert span in Sant kabir Nagar at the cost of Rs. 22.56 lakh.
	RCC road and Boundary wall at Government ITI, Barghi in Jabalpur at the cost of Rs. 12.19 lakh.

SDG Goals

FY 2022-23



Massive plantation in our establishments resulting in 6,56,702 nos of trees equivalent to absorption of 14,296 tons of CO2 annually.

Conducting State Level & National level painting competition for promoting energy conservation and Stay arrangement of participant for national level painting competition for category - A&B for Rs. 159.48 lakh.

Plantation under CSR for Smritivan Earthquake Memorial and Museum Project Bhuj, Kutch for 4.99 lakh.

Tree Plantation Campaign on 22 nd April 2022 "National Earth Day" at Tiger Army Pre-Primary School (TAPPS), Satwari for Rs. 0.37 lakh.



Educational Study Tour to Statue of Unity, Kevadiya, Vadodara, Gujarat for students from underprivileged sections of the society from Vadodara city at the cost of Rs. 0.72 lakh.

Providing financial assistance of Rs. 251.40 lakh to National Foundation for Communal Harmony (NFCH) for education of 1600 violence affected students from Assam, Manipur and Chhattisgarh under CSR.



Collaboration with reputed institutions like IITs, IIMs, IISc, MDI etc for technical & policy innovations and human resources development.

Association with reputed organizations such as The World Bank, ADB, PWC in various forms with an objective to achieve the sustainable path of development and growth through knowledge sharing, capacity building, exchange of ideas & best practices etc.

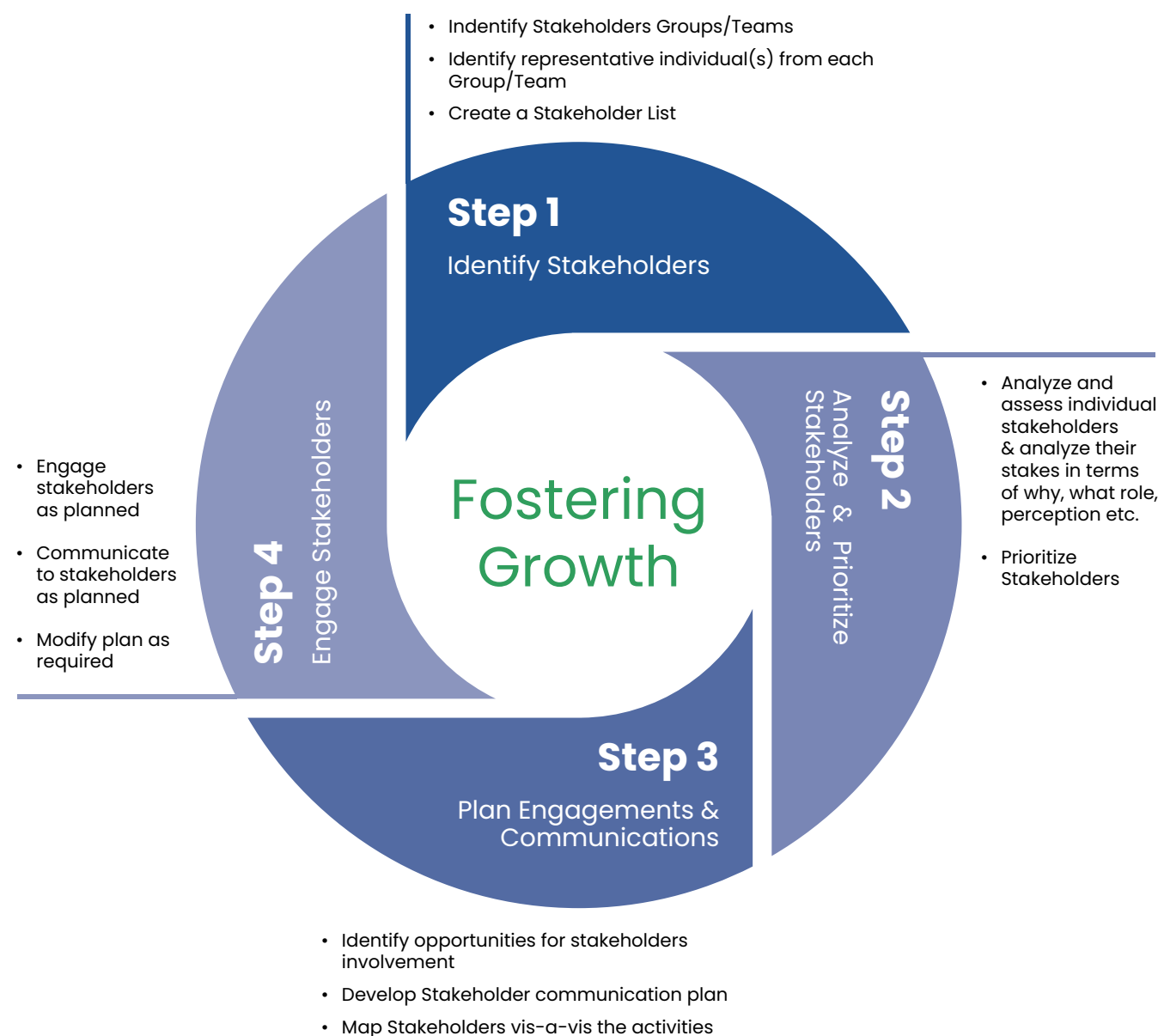


STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT

Stakeholder Engagement defines our purpose and enhances our capacity for impact creation, enabling us to improve the lives of all stakeholders who motivate us to endure and thrive. Our goal is to protect the interests of our stakeholders and future-proof the value that is provided to each of them over the short, medium, and long term. Hence, from the outset, we strive to establish constructive and transparent relationships with all our stakeholders.

These relationships are continually strengthened based on feedback, which enables improvement in operational procedures and subsequent performance. We believe that prioritizing the requirements of our stakeholders will lead to concerted relationships based on trust, resilience, adaptability, and responsible growth.



IDENTIFICATION & ANALYSIS OF STAKEHOLDERS

Our Stakeholder Identification exercise clearly identifies and differentiates between different type of stakeholders whom we engage with, conduct business and are directly or indirectly impacted by our operations and activities. This not only helps us to segregate and understand their concerns better and meet their expectations, but also nurtures our relationship with them. A formal and detailed stakeholders assessment exercise was conducted in the past and key material aspects were identified.

Despite diversity, an attempt was made to group homogenous sub-sections of stakeholders (with common interest) together and an effective engagement plan was then charted out. The

stakeholders, specific to various projects were identified based on the Impact, influence, partnership and interest under three major categories i.e. Directly and indirectly project affected persons including their legitimate representatives, stakeholder having an interest in or influence over the project & individuals and Institutions that participate in the implementation of the project.

Based on above, these stakeholders were then mapped in accordance to their stake in the project at the early stage of the project development process itself, utilizing 'Interest and Influence Matrix' For this reporting year as well our list of stakeholders remains the same, for which updated details, w.r.t various attributes such as mode of engagement, frequency of engagement, and their importance has been refreshed.



STAKEHOLDER ENGAGEMENT MATRIX

Stakeholder group	Why are these stakeholders important to us	Whether identified as vulnerable & marginalized group (Yes/No)	Modes of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Strategic Priorities (Purpose and scope of engagement including key topics and concerns raised during such engagement)
Shareholders/ Investors (Financial & Social Capital)	Our Shareholders are of utmost importance to our business. Their value comes in the form of financial investment from owning shares. We are diligent towards increasing shareholder value over the long term to deliver them a higher value and potentially higher dividends.	No	Annual General Meeting Board meetings Annual Report/ Website Analyst meetings Investor Interactions	Once a year Minimum 4 times a year Once a year/ As & when required Minimum 4 times a year On regular basis	Wealth Creation & Dividend Payout Review of Performance & Results Sector-specific macro-economic trends & Interest of investors Long-term Partnership
Customers State Electricity Boards Telecom –Private firms Consultancy (National & International)	Our Customers are the foundation of our long-term success. Customer Delight remains at the center of everything we do.	No	Physical meeting during signing of agreements and on need basis Meetings/ Emails/ Calls	With every project As and when required	Billing Collection & Disbursement Meetings High uptime Immediate resumption of service in case of service breakdown Faster resolution of queries Innovative solutions
Multi lateral Funding Agencies (World Bank, ADB, IFC, KfW, etc.)	Key supporters that ensure their trust with us financially, for various developmental and infrastructure projects for economies/ regions in different geographies.	No	Physical/ Virtual Meetings, Trainings / Workshop / Emails Implementation Support / Review Missions/ Audits/ Monitoring Progress Reports Project Completion Report (PCR)	As and when required Quarterly and Half-yearly After Completion of project	Appraisals/ Discussions for the funding awards Faster resolution of issues and Project feedback status Discussions w.r.t. changes in the regulatory framework time to time
Employees	Our employees are invaluable assets and fundamental to our sustained growth. They play a crucial role in strengthening our competitiveness and reaffirming our market leadership	Yes (Women / SC/ST)	Employee Engagement Survey Open House Performance Review Magazines Cue and Regional Magazines HR Conclave & Department specific meets Communique Grid Darpan (Rajbhasha)	Yearly Quarterly Twice in a year Quarterly As and when required Weekly Half-yearly	Employee benefits & welfare Safe working environment Career progression Equal opportunities and treatment Upskilling Opportunities Periodic Performance & Feedbacks

Stakeholder group	Why are these stakeholders important to us	Whether identified as vulnerable & marginalized group (Yes/No)	Modes of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Strategic Priorities (Purpose and scope of engagement including key topics and concerns raised during such engagement)
			Candour (Vigilance) PNBC meetings HR meetings/ Emails/ Telephonic Calls/ Notice Boards	Yearly As per requirement As and when required	Meetups/ Townhalls/ Strategy & Performance Meetings to share regular updates
Community / PAPs	Empowering the lives of people within the communities in which we operate remains fundamental to our business sustainability. We continue to strengthen our relationships with the communities and transform their lives through various upliftment programs and initiatives.	Yes	Public Consultation/ Newspaper Physical visits to the affected region/ Focus Group Discussions CSR initiatives & Community Meetings	At every stage of the project from conceptualization to Operation & Maintenance Periodic time intervals as per the requirement of Projects Need based (In consultation with communities)	Contribution to society Compliance to Resettlement and & Rehabilitation requirements/ provisions Provide opportunities for self-sustenance and empowerment Empower livelihoods Social Impact assessments & Project monitoring
Government Regulators (SEBI / CERC/ BSE / NSE) Ministry of Power Ministry of Finance, Ministry of Environment, Forest and Climate Change	Constructive relationships with the government are critical to our business continuity. We monitor regulatory developments and policies closely, thereby participating in progressive discussions	No	Compliance Reports/ Forms/ Physical Meetings/ Website/ Emails Emails/ Meetings/ Industry Association Meetups RPC (Regional Power Committee) Meetings Performance monitoring Discussions/ Reports/ Assessments Discussions & Meetings/ Emails for grants CAG Audit	On a continuous basis As & when a new legislation/ reregulation/ rules are proposed Monthly As & when required As & when required As per Regulations	Adherence to compliance requirements under various statutory regulations Comments/ observations on proposed legislations Capital allocation Transparent disclosure practices for them to take informed investment decisions Adherence to environmental and other applicable laws Interest of minority shareholders Coordination for various entitled grants

Stakeholder group	Why are these stakeholders important to us	Whether identified as vulnerable & marginalized group (Yes/No)	Modes of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Strategic Priorities (Purpose and scope of engagement including key topics and concerns raised during such engagement)
Suppliers & Contractors	Our suppliers and contractors are the key part of our value chain. We partner with our suppliers to ensure an effective and efficient procurement process for seamless business operations.	Yes (MSME / SC/ ST/Women vendors)	Pre bid discussions (PBD)/ Website/ GeM Portal/ Newspaper Review meeting at various management levels Meetings/ Communication for MPR requirements Joint discussions on technological advancements including Research & Development institutions Feedback Sessions Capacity Building Sessions/ Workshops/ Classroom Trainings	With every award Monthly Monthly On a regular basis Once a year As & When Required	Call for Bids and explanation about the project and timelines etc. Reliable payment schedules Timely redressal of any queries Long-term partnerships and capacity building Discussion for MPR of each contractor & suppliers Encouragement for Make in India & Atmanirbhar Bharat Abhiyan Continuous engagement & Dialogue with Vendors, Suppliers etc. Development of MSMEs Suppliers & Vendors
Media	Timely and transparent communication of key to our business, where our key stakeholders put their faith and reliability on what and how we communicate with them, to which the media plays an important role.	No	Press Briefing/ Invitations to events	Over 1000 Media coverage/ Press Briefings & Exhibitions	Transparent and Strategic communications for all relevant stakeholders Continuous feedback channel for all stakeholders & their demands
Technological Institutions (IITs/IISc)	Nurturing academia and industry relations fosters culture of innovation and technological solutions for businesses and societies.	No	MOUs/ Physical Meetings/ Collaborations/ Webinars/ Training Sessions	As & when required	Exploring and adopting emerging technologies with Leading academia Institutions for Emerging technologies Research Funding to Academia for sector-specific R&D

MATERIALITY ASSESSMENT

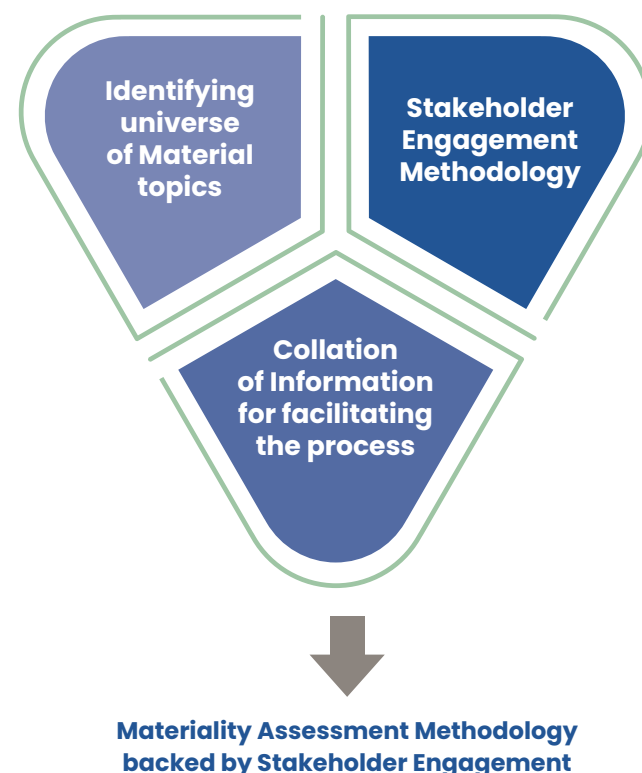
IDENTIFYING THE MATERIAL TOPICS

Through our stakeholder engagement exercise, we took a closer look at what matters most to the people and organizations impacted by our operations. We carefully identified a list of material aspects, focusing on the key issues that have the greatest impact on our stakeholders. To gain a clearer understanding, we created a Materiality Map, grouping these issues together based on their importance.

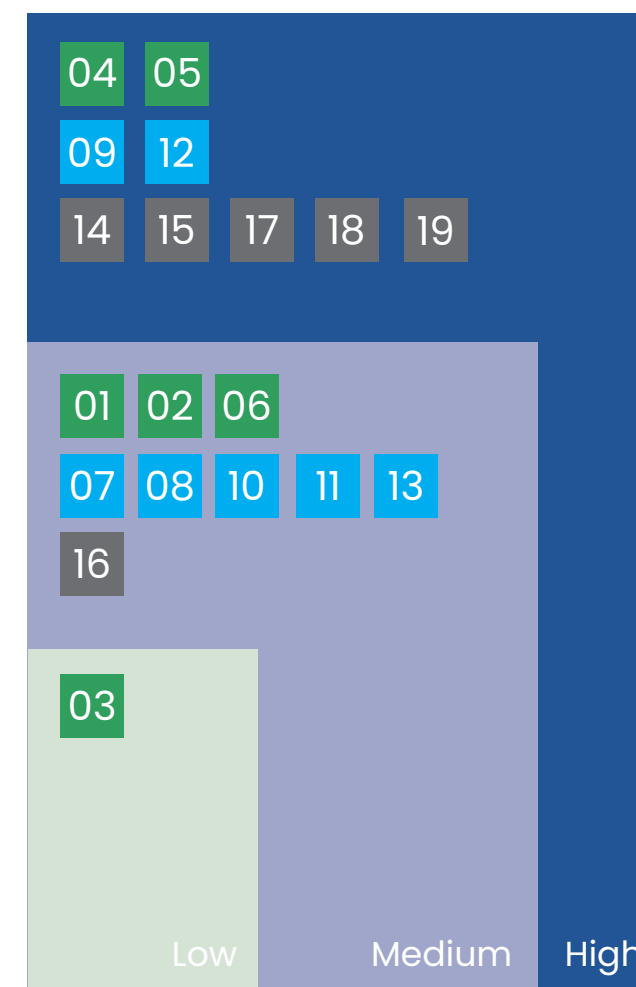
During the reporting year, we revisited these material issues and held discussions with our internal stakeholders. This helped us determine their level of significance and prioritize them accordingly. **We consolidated similar issues, resulting in 19 key material issues. In addition, we identified two new material issues—Cyber Security and Community Relations—acknowledging their importance in our sustainability journey.** These material issues serve as our compass, guiding us towards responsible decision-making and strategic actions. We are committed to addressing these issues head-on, ensuring the resilience and adaptability of our operations. By prioritizing cyber security and fostering positive community relations, we strive to create a sustainable future that benefits all.

As we move forward, we are driven by the shared vision of our stakeholders, the principles of responsible business, and the desire to create a harmonious world. Together, we embark on this transformative journey, embracing every material issue as an opportunity to shape a brighter and more inclusive future for everyone.

Adhering to our focus towards the concerns of our stakeholders, such exercises are larger part of overall business strategy which we plan to continue in future at periodic time intervals, based on the need. This assessment provided us with promising insights into mitigating risks and ensuring business continuity and prosperity for all.



MATERIAL TOPICS



- | Category | Topic | Issue |
|-------------|-------|---|
| Environment | 01 | Climate change |
| | 02 | Biodiversity/ Environment Protection |
| | 03 | Water Management |
| | 04 | Energy Management |
| | 05 | GHG Emissions |
| | 06 | Waste Management |
| Social | 07 | Freedom of Association & Collective Bargain |
| | 08 | Employee Benefit Plan |
| | 09 | Occupational Health & Safety |
| | 10 | Human Rights |
| | 11 | Diversity, Non-discrimination & equal opportunity |
| | 12 | Human Capital Development |
| | 13 | Community Relations |
| Governance | 14 | Ethics & integrity |
| | 15 | Regulatory Compliance |
| | 16 | Sustainable Sourcing |
| | 17 | Transparency |
| | 18 | Technology & Innovation |
| | 19 | Cybersecurity |



OUR ROBUST GOVERNANCE

CORPORATE GOVERNANCE

Catalysing responsible business practices

POWERGRID is committed to upholding the highest standards of responsible and ethical business conduct. Our uncompromising adherence to fairness, accountability, and transparency in our business operations is engineered by our robust governance framework. It encompasses regulations, policies, practices, and processes – governed by persuasive committees and a strong leadership that focuses on building enduring relationships in the society we operate. Thus, enabling a PRUDENT, PURPOSEFUL, and PROSPEROUS POWERGRID.

BOARD OF DIRECTORS

Corporate Governance practices at POWERGRID are spearheaded by our Board of Directors and cultivated by our employees at large. The board maintains an oversight of the overall vision of the company and provides meaningful insights into crucial matters, thus protecting the interest of all the stakeholders. Key strategic decisions regarding investment, diversification, procurement, commercial, and finance are implemented after approval by the Board. The Board has several committees – entrusted with responsibilities, duties, rights, and powers to ensure responsible conduct across the organization. These

committees are also chaired by independent board members to ensure a transparent and proactive approach to matters critical to the organization and the stakeholders.

The Board at POWERGRID is cognizant of the autonomy it possesses in making crucial investment and operational decisions consequential to the “Maharatna” status coveted by the Government of India and is committed to exercising a responsible and ethical use of its resources.



Shri K. Sreekant
Chairman & Managing Director

Shri K. Sreekant (59 years), (DIN: 06615674) is Chairman & Managing Director of our Company. He is CMA and PGDM (Finance) from Management Development Institute, Gurgaon. He has over 37 years of experience in the Power Generation and Transmission sector in finance, commercial, regulatory affairs and enterprise resource planning, project formulation and management. He was appointed as CMD in August, 2019.



Shri Abhay Choudhary
Director (Projects)

Shri Abhay Choudhary (59 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 37 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 R K Tyagi
Director (Operations)

Shri R. K. Tyagi (57 Years), (DIN:09632316) is Director (Operations) of our Company. He is an Electrical Engineer from Punjab Engineering College (P.E.C.), Chandigarh and has completed M.(Tech) in Energy Studies from IIT Delhi. Shri Tyagi is a Fulbright Scholar from Carnegie Mellon University, Pennsylvania, USA. He is having a work experience of over 33 years in Power Sector at various key positions in premier CPSUs in power sector such as POWERGRID and NTPC.

He has handled multi-disciplinary functions in various business segments like Asset Management, Project Execution & Monitoring, Engineering, Business Development, Telecom, Load Despatch & Communication, NTAMC, Finance, Commercial, HR Resource Management, Safety, DMS etc. Shri R. K. Tyagi is representing India at various International technical committees for preparing Technical Standards. He is Author of over 50 technical papers which have been presented in National and International conferences. He has also published Handbooks on High Voltage Circuit Breakers and Bamboo Nailing & Sand Piling Technique in Power Transmission.



Shri G Ravisankar
Director (Finance)

G Ravisankar (57 years) (DIN: 08816101) is a Mathematics Graduate from University of Madras and is a Cost Accountant from The Institute of Cost Accountants of India. He has also done Post Graduate Diploma in Personnel Management and Post Graduate Diploma in Materials Management from Annamalai University. An accomplished technocrat, he has post qualification experience of 32 years, serving predominantly in POWERGRID (after a brief stint in NLC India Limited) in Construction office, Sub-stations, Regional Headquarters and Corporate Centre located in various parts of India. He has vast experience in key finance functions viz. Resource Mobilisation, Budgeting, Financial Reporting, Commercial and Retiral Benefits Fund Management. He has played a pivotal role in digitization of finance functions, establishment of bill processing hubs and ERP implementation and Development. He also led his team in Business Simulation Competitions and won laurels in National Management Games Championship, besides qualifying the Asian Championship to participate in the Global Management Contest representing India. He was appointed as Director (Finance) on our Board in September, 2022.



Dr. Saibaba Darbamulla
Government Nominee Director

Dr. Saibaba Darbamulla (DIN: 10167281) is a Graduate in Mechanical Engineering from the Council of Engineering Institutions, London, UK. He is Doctorate in Transportation Safety Area from Indian Institute of Technology (IIT) Delhi and Post-Graduate in Information Management from Management Development Institute (MDI), Gurgaon. He belongs to Indian Railway Service of Mechanical Engineering cadre and joined in 1993. During the tenure of his career spanning more than 30 years till now, he had been at various positions on Indian Railways including Divisional Mechanical Engineer, Chief Public Relations Officer, Deputy Director (Rolling Stock) in world Bank aided railway rehabilitation project at Mozambique, Director (IPMD), Director (ISS), Director (Vigilance), Director (MPLADS) etc. His expertise, inter-alia, includes project planning & implementation, international tendering & procurement, information management system & data analytics, transportation safety & management, certified lead assessor of quality systems, implementation & monitoring of Central Government Schemes etc. He has experience of serving in Ministries related to core infrastructure in various capacities. Dr. Saibaba Darbamulla is presently working as Joint Secretary in the Ministry of Power.





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 21 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 in June, 2022.

Shri Chetan Bansilal Kankariya
Independent Director



Shri Chetan Bansilal Kankariya (47 Years) (DIN: 09402860) is a Graduate in Chemical Engineering from University of Pune, Maharashtra. He is in the business of land development & building construction having work experience of 25 years in the related field. He has been closely associated with various social organization and municipal corporation for river conservation through plastic pollution control. His area of interest includes management & organization, financial management, CSR activities, etc. He was appointed as an Independent Director on our Board in November, 2021.

C M M M C M M



Shri Onkarappa K N
Independent Director

Shri Onkarappa K N (61 Years) (DIN: 09403906) is a Graduate from Mysore University, Mysore. He is an Educationalist by profession having experience of more than 37 years in education & varied related fields. He is Ex-Senate Member of Kuvempu University, Ex-Board Member of Horticulture University, Bagalkote, Karnataka and Ex-Vigilance Committee Member of Revenue Department, Government of Karnataka. He is the founder & President of Chetana Vidya Samaste, Davanagere. He was appointed as an Independent Director on our Board in November, 2021.

M M C M M

Shri Ram Naresh Tiwari
Independent Director



Shri Ram Naresh Tiwari (43 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.

M M M M M M

BOARD COMMITTEES

Audit	Investment on Projects	Award of Contracts
Stakeholders' Relationship	CSR	Risk Management
Bonds	Transfer /Split / Rematerialisation	Nomination and Remuneration
New Businesses	Exchange Risk Management	Monetization of assets through InvIT
TBCB Projects	Compliance to GOI Directives on procurement and national missions	

C : Chairman
M : Member

COMPOSITION OF THE BOARD OF DIRECTORS

POWERGRID has always been rooting for diversity, competence and independence since its inception. We are convinced that a diverse board fuels innovation in the organization. This is reinforced through our Board Diversity Policy. The Board of the company has an optimum combination of executive and non-executive directors. the board of the company comprises of a 4 Whole Time Directors (Chairman and Managing Director), Director (Project), Director (Operations) and Director (Finance), 2 Government Nominees-Part time Directors and 3 independent directors (Non Official Part Time).

NOMINATION AND SELECTION OF BOARD OF DIRECTORS

POWERGRID is a Central Public Sector Enterprise and therefore the appointment of all Directors on the Company's Boards is carried out by the Govt. of India. The Selection of Functional Directors is made by Public Enterprise Selection Board (PESB) and recommended to the Government. of India for appointment. Being a listed entity and a CPSE, the

Company follows the Securities & Exchange Board of India (SEBI) Regulations, Companies Act, 2013 and rules made there under and Govt. guidelines issued by Department of Public Enterprises (DPE) in regard to Independent Directors.

The Independent Directors on POWERGRID's Board are appointed by Ministry of Power, Government of India. DPE has issued detailed guidelines including procedure, criteria related to experience, qualification and age in this regard. Functional and Independent Directors are appointed for a fixed tenure.

The Government Nominee Directors on POWERGRID's Board are also appointed by Ministry of Power.

GETTING GOVERNANCE RIGHT

The Building Blocks of Our Governance Framework

Good governance is critical to us; it is the basis of public trust and strengthened relations with our stakeholders. To this end, we have put forth standardized and internationally benchmarked processes and practices - implemented through policies. We ensure an organization-wide stringent adherence to these policies and systems.



CODE OF CONDUCT

Aimed at enhancing transparency and conformance to ethics in the organization in line with the mission and objectives of the organization, POWERGRID has two separate codes of conduct – one for the Board Members and another for the senior management personnel. The policies bind all within scope to act within their authority and keep in mind the best interest of the company. The company also has Conduct, Discipline and Appeal rules which govern the conduct of all permanent employees including the Whole-time directors by outlining the ethical behaviour it expects from its people.

WHISTLEBLOWING AND FRAUD PREVENTION

The company has in place a Whistle Blower and Fraud Prevention Policy to deal with disclosures pertaining to any fraud or suspected fraud involving employees of POWERGRID as well as a representative of vendors, suppliers, contractors, service providers, or any outside agencies doing any business. The policy facilitates safe and secure ways to make these disclosures and safeguards the rights and interests of the employees disclosing any fraudulent activities. To ensure due diligence the company has constituted an Empowered Committee and Vigilance Department to investigate such disclosures.

AVOIDING CONFLICT OF INTEREST

The company has cemented a governance process through the “Related Party Transaction Policy” to avoid potential or actual conflicts of interest in compliance with statutory regulations. The policy may be reviewed, approved, and amended from time to time by the Board of Directors of the company.

Other Governance Polices

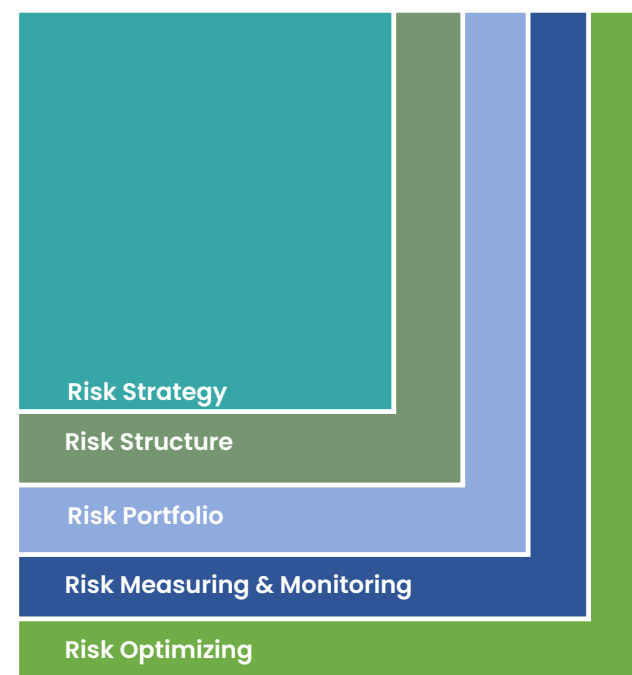
Our policies can be accessed at <https://www.powergrid.in/code-conductpolicies>

POWERGRID'S RISK MANAGEMENT

PROACTIVE APPROACH TO RISK MANAGEMENT

Our business functions in a highly dynamic, uncertain, and complex environment where business risks are constantly evolving. Thus, it is indispensable for us to develop a systemized process to proactively evaluate the nature and magnitude of the risks we face and undertake measures to manage and mitigate them. We, at POWERGRID, constantly monitor our external environment to identify potential opportunities and fast-emerging risks and their impact on our day-to-day business. We are dedicated to maintaining a thorough and holistic risk management capability that is ingrained in our business procedures.

To address these potential risks, we follow a solution-centric approach and trust a well-established, comprehensive Enterprise Risk Management (ERM) framework for the identification, assessment,



monitoring, management and mitigation of our risks. Our ERM framework is designed to manage strategic, operational, sustainability, governance, and cyber security, among other risks associated with our business operations and growth objectives.

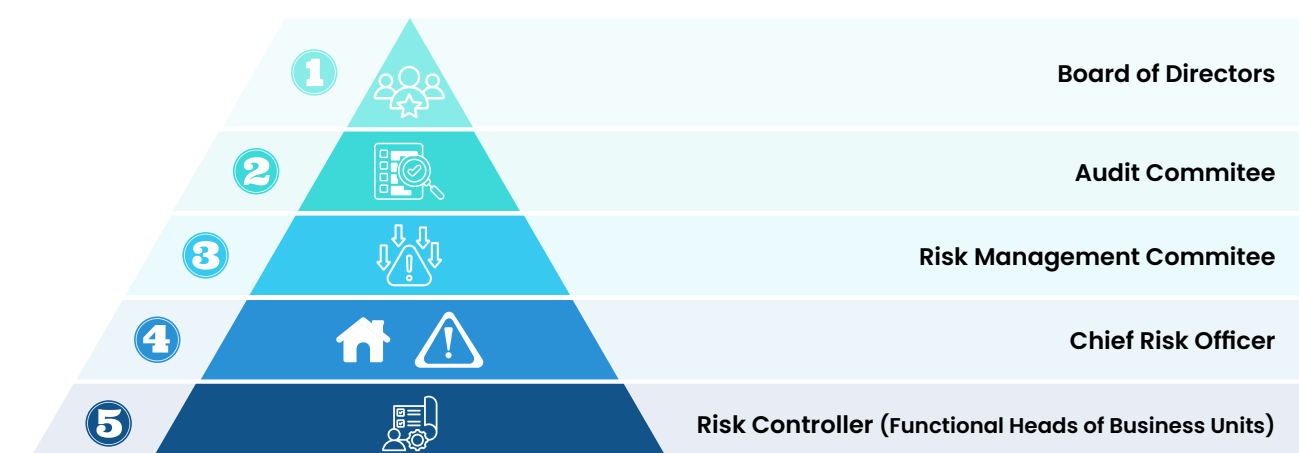
We consider all the risks holistically, keeping in mind the dynamic multi-faceted impact of a single risk on other aspects of our business, and monitor and control such risks through various Key Performance Indicators (KPIs).

To periodically review and monitor the identified risks, and mitigation measures, POWERGRID's Risk Management Process is guided by a dedicated Board-level Risk Management Committee having minimum of three members majorly involving members of the board of directors and Independent Directors. The committee meets once in a quarter or on need-basis and reviews KPIs and major business risks, providing corrective measures to improve business efficiency. Our risk management system is strong enough to guarantee accurate risk identification and is adaptable enough to support dispersed risk management procedures.

We have a designated Chief Risk Officer for the company entrusted with the responsibility to monitor, manage and report all the identified risks.

POWERGRID throughout the years has been able to integrate risk management practices in all of our business decisions. Our Enterprise Risk Management Framework continuously monitors macroeconomic tides to manage risks associated with our business operations and ensure our progress on the growth trajectory. This framework helps the company not only to identify and mitigate various internal and external risks but also to capitalize on emerging opportunities associated with those risks. We actively encourage our all stakeholders to participate in dialogues and find pathways to collaborate with them for long-term sustainability and mutual value creation. We are committed to effective risk management that will enable us to continue growing in a sustainable and responsible manner in the coming decade.

POWERGRID's Risk Management Organization Structure



Input

Sound Decisions

Equity	: ₹ 83015 Cr
Debt	: ₹ 125895 Cr
CAPEX in FY 23	: ₹ 9212 Cr

Operational Strength

Operational Transmission Lines (ckm)	: 174113
No of Substations	: 272
Telecom Network (Km)	: 82294
Global Footprint	: 23 countries

Innovation and R&D

Setting up of PARTec
Digital Applications for Asset Management - PGDARPAN, UDAAN, PALMS 2.0
Knowledge Management & e-Learning Portal - PRAGYAN

Diverse Human Resources

Total Employees	: 8342
Total Employee Training Hours	: 494144
% Return to work after Paternity / Maternity Leave	: 100%

Social Inclusiveness

CSR Projects Sanctioned	: 168
CSR Expenditure	: ₹ 321.66 Cr
Local Procurement	: >90%

Climate Cautiousness

Renewable Energy Generated	: 8567 MW
Water Consumed	: 2777668 KL

Our Process

OUR BUSINESS SERVICE OFFERINGS

- › Transmission
- › Telecom
- › Consultancy
- › Other Business Opportunities

POWERGRID IN THE POWER SECTOR VALUE CHAIN

GENERATION | **TRANSMISSION** | DISTRIBUTION



OUR VISION

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

Output

4,99,362 MVA
Transformation Capacity

97,290 MW
Inter regional Capacity

Adoption of Technology in Asset Management

99.82%
System Availability

Sustainable and Responsible Business Conduct

Outcome

Financial Value Generated

Revenue from Operations	₹ 45581 Cr
PAT	₹ 15417 Cr
RoNW	18.57%

Delivering Excellence

Additional Transmission Lines operationalised(ckm)	2972
No of Substations added	9
Transmission Network Availability	99.82%
Telecom Availability	99.99%

Transforming Technology

No of Patents held	2
Digital Substations	1
Training Modules developed	100+

Embracing Togetherness

Attrition Rate	5.37%
Lost time injury rate	0.1
Occupational Fatality	0

Happiness to Harmony

CSR Projects Completed (No.)	135
Impact Assessment carried out for (No of Projects)	67
MSME Procurement (%)	53.34%

Planet First

Energy Savings	1224824 MWH
Water Recharged (Through rainwater harvesting)	347724 KL

FINANCIAL CAPITAL

Pivotal Driver of Economic Expansion & Investment Prospects



PIVOTAL DRIVER OF ECONOMIC EXPANSION & INVESTMENT PROSPECTS

We are one of the largest transmission companies in the world and have our operations principally in the inter-state transmission sector. The strength of our financial prudence and long-term business acumen have been the value-creation engine for our business. While building on our future business aspirations, we also understand that maintaining the integrity of our financial foundation is essential to achieving our growth goals and adding value for all our stakeholders.

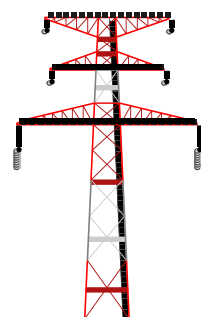
Our financial capital has enabled us to lay a strong foundation for our long-term continuous growth. Rooted in our strong financial management approach, which helps us determine the required funds for our sustainable operations and investments in prospects for business sustainability and growth.

At POWERGRID, we are constantly working harder to explore fresh growth opportunities, both organic and inorganic, and capitalize them into future businesses. Whether it is venturing into smart-grid/ smart-metering solutions or establishing green corridors we have always ventured into uncharted territories and have established ourselves as catalysts for the whole transmission sector in India.

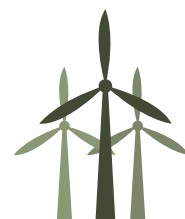
As a forward-thinking public utility company committed to long-term value creation, we recognize that our successful financial management forms the backbone of our operations, enabling us to invest in innovation, expand our reach, and deliver high-quality and new-age services to our stakeholders. We continued to grow at a robust pace across all our business segments with an aim to strategically manage and allocate our financial resources to maximize returns while upholding our Environmental, Social and Governance (ESG) responsibilities.

Through our holistic business decision making framework, we have strived to integrate our financial capital with all the other capitals to bring harmony in the results that we achieve for our business efficiency, development of our human capital or nurturing our community relations.

WE INVEST IN FINANCIAL CAPITAL FOR



Infrastructure Development with minimised down-time



Integrating Renewable Energy into grids



Research and Development for continuous advancement in our operations and for technological innovation leading to updation of our business processes



Wellbeing and Upskilling of our Human Capital



Nurturing Community Relations

KEY FINANCIAL HIGHLIGHTS OF THE YEAR 2022-23

Revenue from Operation

(₹ in crore)



Operating Profit

(₹ in crore)



Operating Expenses

(₹ in crore)



Market Cap

(₹ in crore)



Return on Capital Employed

(in %)



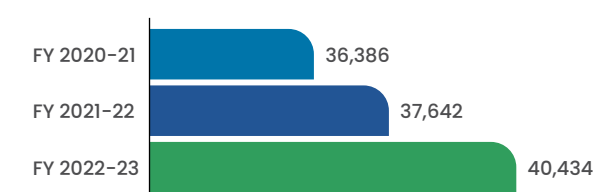
Total Economic Value Generated

(₹ in crore)



EBITDA

(₹ in crore)



Financial Strength for Growth

During the fiscal year 2022-23, our revenue from operations grew by 10% to ₹ 45,581 crores (compared to ₹ 41,622 crores in FY 2021-22). Out of this total growth, the maximum growth has been accounted on the part of our strategy to go further and explore various opportunities under Tariff Based Competitive Bidding towards the development of Inter and Intra state Transmission System. This showcases our strategic commitment to investing in infrastructure development, integrating renewable energy into our grids, and driving technological innovation throughout our operations. Not only in our transmission business line, we have shown significant growth in our telecom business as well.

At POWERGRID, we are continuously striving to evaluate the risks associated with the operational scenarios while attempting to maximize returns on our financial resources and investments.

The strength of our business model and the short- and medium-term initiatives we developed in response to the evolving dynamics of the energy industry are demonstrated by our financial performance in 2022-23.

Our commercial operations and financing activities create the funds that serve as our financial capital. We have built a solid balance sheet as a result of our great performance on the back of rigorous execution over the years, which is evident in the combination of rapid growth and profitability. Assuring a stable and lucrative financial position is our main priority. Our stakeholders look to us to offer long-term growth supported by a sound business plan.

MANUFACTURED CAPITAL

The tangible assets that fuel economic production and development



OUR PRIORITIES

Infrastructure
Security and Asset
Management



Efficient Project
Management &
Operations



Moving towards
Responsible
Sourcing



Listening to
the voices of
stakeholders



Leveraging the
technology for
better business
productivity

A Legacy of Operational Prowess

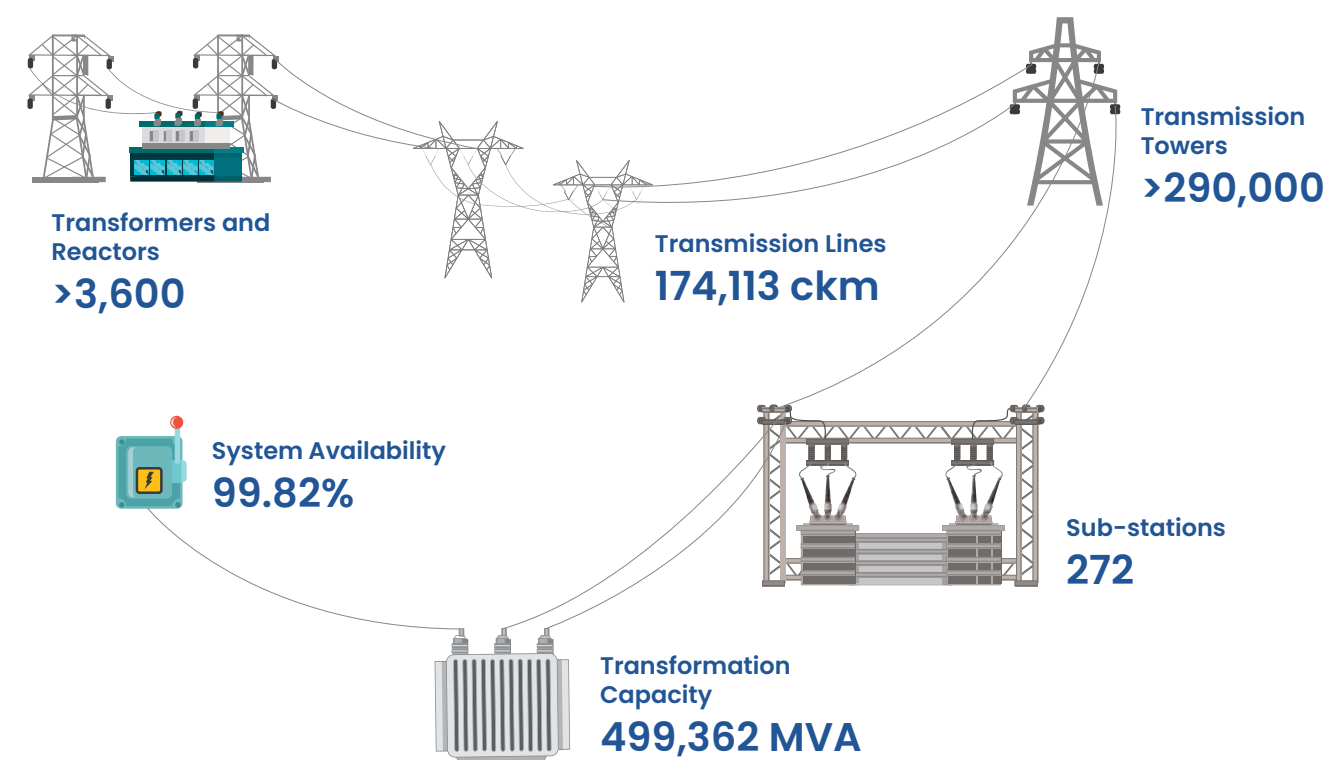
As one of the largest transmission utilities in the world, POWERGRID has been significantly contributing to the development of the Indian power sector and over the years demonstrating its excellence to execute large and critical transmission projects efficiently. In our **33 years of journey through our concerted efforts we have built an unmatched transmission prowess, accelerating the growth of transmission sector in India.**

As a Public Sector Undertaking, we understand that we have been endowed with the responsibility to ensure the efficient use of our resources, enhance the flexibility of our operations, and cater to the ever-evolving consumers' demands. For the past 33 years, we have always strived for holistic optimization and achieving economies by improving our assets' efficiency, and performance and reducing interruptions associated with tripping.

As a Company, we believe in **doing better everyday** and our same belief has ensured that our transmission lines and substations are technologically advanced, flexible and do not deepen our environmental footprint.

We focus on creating long-term values for all. This is achieved through a structured approach that focuses on the following core pillars of improvement:

TRANSMISSION ASSETS



OUTCOME-FIRST APPROACH IN PROJECT DELIVERY

Crucial lessons from our experience can only be understood backward, but they must be applied forward -this is a common theme running in our organization over the years. It is through our strategic approach to operations that we have successfully instilled our past learnings and experiences in the planning and decision-making processes of our new and ongoing projects. This has resulted in an inherent application of outcome-first approach, that enables us to contemplate both tangible and non-tangible outcomes of any project simultaneously.

Through our merit, we have established ourselves as the partner of choice for various states and utilities and acted as a key project consultant globally as well as in domestic markets for upcoming business avenues such as **Robust Transmission & Distribution, Smart Grid Systems etc.**



Committed to achieve
50%
of our electricity consumption
from renewable sources by
2025

Over the years, through embracing the learnings of the past we have developed an effective project delivery system significantly minimizing concerns on cost, time and quality. We assess every project not only based on its economic feasibility but also on the tangible criteria of assessing its outcome for our stakeholders, and the value it will bring to them and mankind at large.

ENABLING INDIA'S RENEWABLE ENERGY TRANSITION

India is the world's third-largest energy-consuming country. We seemed to have reached a point of inflection in the ways we achieve our energy security while ensuring energy is made available to all. Massive renewable energy plants with GWs of capacities are being deployed in geographically gifted areas to meet nation's energy transition goals.

Turning our commitments into tangible actions we are establishing large-scale solar PV plants on vacant land available at our various locations. **Our first such plant of 85 MW capacity is being established in Nagda, Distt. Ujjain (M.P.). Also, the establishment of Solar PV Power Plants at Jabalpur, Wardha, Aurangabad and Khammam with a cumulative capacity of 82 MW is under the planning stage. We have also installed 8.2 MWp of rooftop Solar PV systems at 118 locations and additionally, rooftop Solar PV systems of 6.3 MWp capacity are under implementation.**

Government of India has a target of increasing the Non-fossil Energy Capacity by to 500 GW by 2030. India is also moving towards meeting 50% of energy requirements from renewables. Transformation of this considerable quantity of renewable energy will require state-of-the-art capabilities and proficient technical know-how to transfer it consistently to all clusters where a major load is demanded.



We have implemented multiple Inter-State Transmission facilities to integrate India's large-scale Renewable Energy (RE) generation capacity across several States of India including Rajasthan, Gujarat, Tamil Nadu, Maharashtra, Karnataka, Andhra Pradesh, Himachal Pradesh, and Madhya Pradesh.

This integration of solar power to national grid is one such opportunity that holds immense potential for wealth creation and will require smart investment choices on our part.

FORAYING INTO NEW OPPORTUNITIES

We are continuously exploring new regions, avenues and opportunities in our industry bringing value to our stakeholders. We have **taken up projects for the installation of smart meters for state utilities under the Design, Build, Finance, Own, Operate and Transfer (DBFOOT) model** and have begun our procurement process for End-to-End Smart Metering Solution for one crore smart meters.

During the fiscal year, we have successfully entered an MoU with Madhya Gujarat Vij Company Limited and Uttar Gujarat Vij Company Limited for the installation of about 65-70 lakh smart meters under Revamped Distribution Sector Scheme (RDSS) of the Government of India.

During FY 2022-23, POWERGRID has charged 2,972 ckm, 9 Substations, and 28,990 MVA of transformation capacity in FY 2022-23 in the Inter and Intra state Transmission System.

These are the results that we have achieved after a multitude of discussions, negotiations with our stakeholders, efforts made by multiple departments, assessing the requirements of the project, and following an agile approach in project execution.

We are tapping into the uncharted opportunity of Battery Energy Storage systems (BESS) as a significant element of the future grid. To understand the operational and economic value potential of this strategic business venture we have also undertaken an independent third-party study.

SERVING BEYOND THE BORDERS

We are the market leaders in our Industry and have expanded our network to various neighbouring countries. We are cognizant that energy security is as important to our neighbouring countries as it is to our country and plays a significant role in strengthening our bilateral relations and our presence at international associations such as SAARC and BIMSTEC. We are placed at the ideal sweet spot of the South-Asian region and share our geographical boundaries with SAARC and BIMSTEC member countries.



The present cumulative power transfer capacity between India and neighbouring countries through cross-border interconnections is about 4,433 MW .

Interconnection	Existing (MW)
India – Bangladesh	1,160
India – Bhutan	2,070
India – Myanmar	3
India – Nepal	1,200
Total (approx..)	4,433

POWERGRID has been playing an essential role in establishing strong cross-border relationships with various neighbouring countries for optimal utilization of regional energy resources in the South-Asian region. During the year, we have incorporated a Joint Venture with NEA (Nepal Electricity Authority) at 50:50 equities for the implementation of the Development of Indian portion of 400 kV Gorakhpur (India) – Butwal (Nepal) Transmission Line & bays at the Gorakhpur end.

TOWARDS RESPONSIBLE SOURCING

PROUDLY MADE IN INDIA...

We have always focused on going local when it comes to sourcing our equipment and technology, and we have encouraged localization of our supply chain for the advancement and maintenance of our transmission systems. During the current fiscal year, we have locally procured approximately more than 90% i.e. ₹ 13740 crore worth of equipment, goods, and services through the Domestic Competitive Bidding route. This has also helped us to build a resilient value chain by reducing our dependency on international suppliers in case of exceptional circumstances such as COVID, Trade-wars etc.

Realising the government's agenda of Make in India and Atmanirbhar Bharat Abhiyaan, we are actively working towards developing our localized vendor and supplier base by incorporating more of domestic suppliers and make them an essential part in our journey to growth. While strengthening our relationship with domestic suppliers, we have also prompted our global suppliers to set up facilities here in India, providing them with a conducive environment and ease of doing business. We have always supported our existing partners in their efforts to upgrade their equipment to higher voltage levels by providing them capacity-building support wherever required resulting in long-term business partnerships.

CONTRIBUTING TO THE DEVELOPMENT OF MSMEs

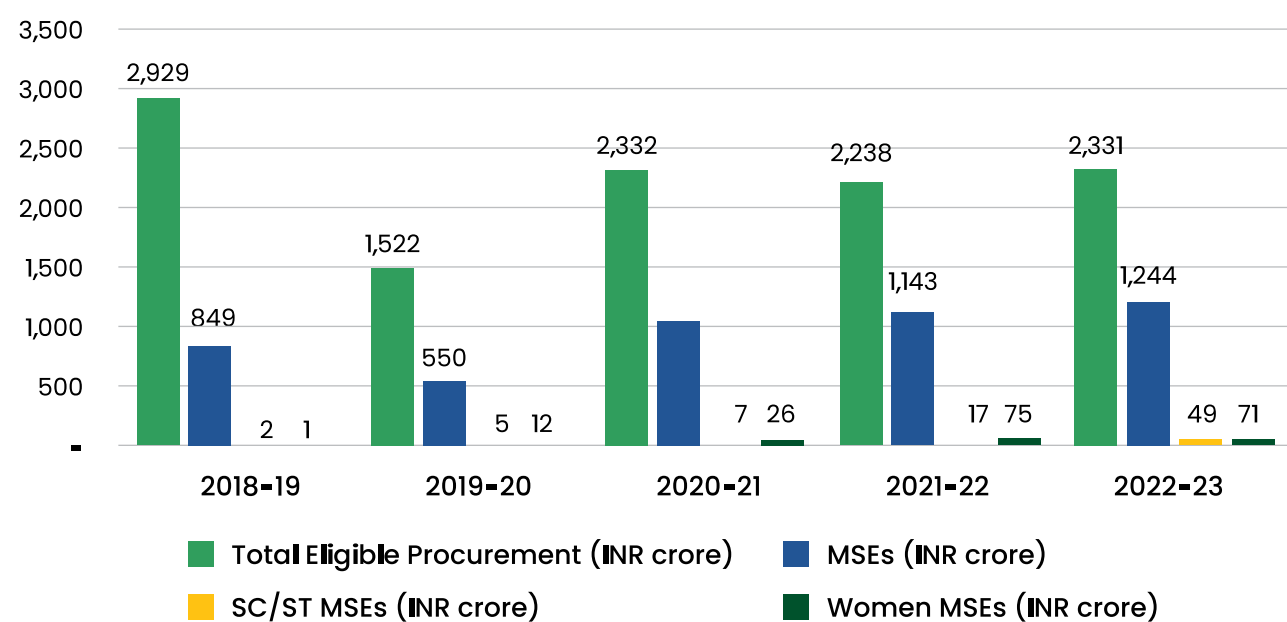
We have made conscious efforts towards complying with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2018 issued by the Government for ensuring the procurement of MSMEs.

We are actively working towards establishing a seamless process to onboard our MSME suppliers. Continuously through the years, we have made sure that we meet the minimum threshold for mandatory procurement of 25% out of total annual purchases of products and services rendered by Medium, Small, and Micro Enterprises.

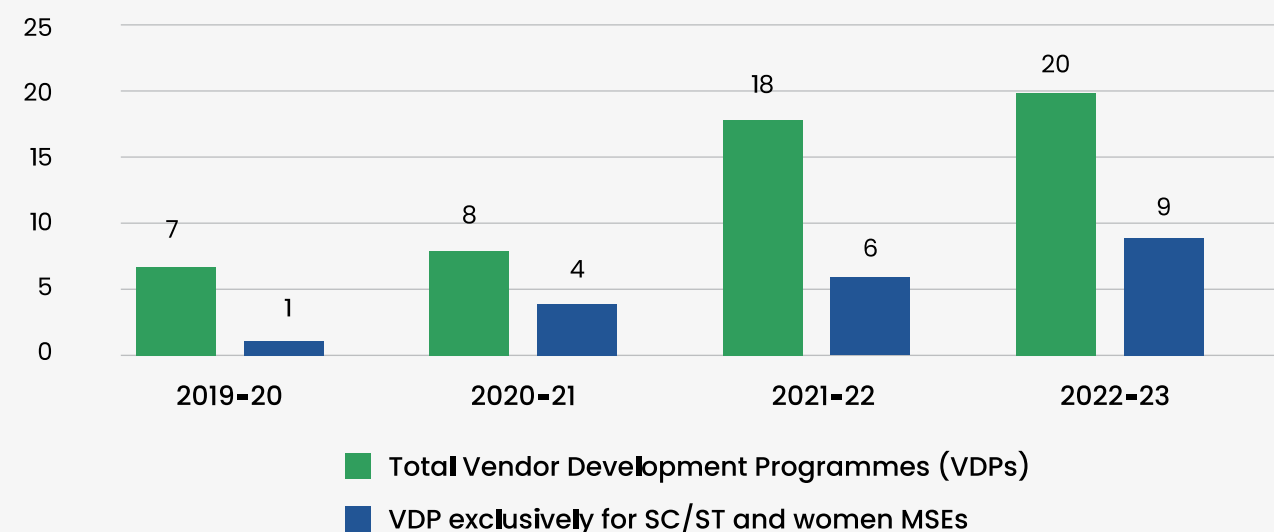
For all of our Vendor partners (including MSME partners), we have continuously organised vendor development programs to help them build upon their existing capacities and allow new vendors to participate as our valuable partners.

>90%
local procurement

Procurement from MSEs



Vendor Development Programme by POWERGRID



GROWING TOGETHER WITH OUR MSME PARTNERS

CAPACITY BUILDING

Capacity Building for MSME

We have played a supporting role for our MSME vendors in helping them with enhancing their production and technology capacities through trainings and workshops

DEVELOPING NEW PRODUCT RANGE

DEVELOPING NEW PRODUCT RANGE MSME

Instrumental role in developing their acumen to produce their own range of innovative & quality products

EASE OF DOING BUSINESS

Ease of doing business for MSMEs

Redesigning our complete procurement process to make sure that we introduce ease-of-doing business for MSEs to encourage their active participation in procurement



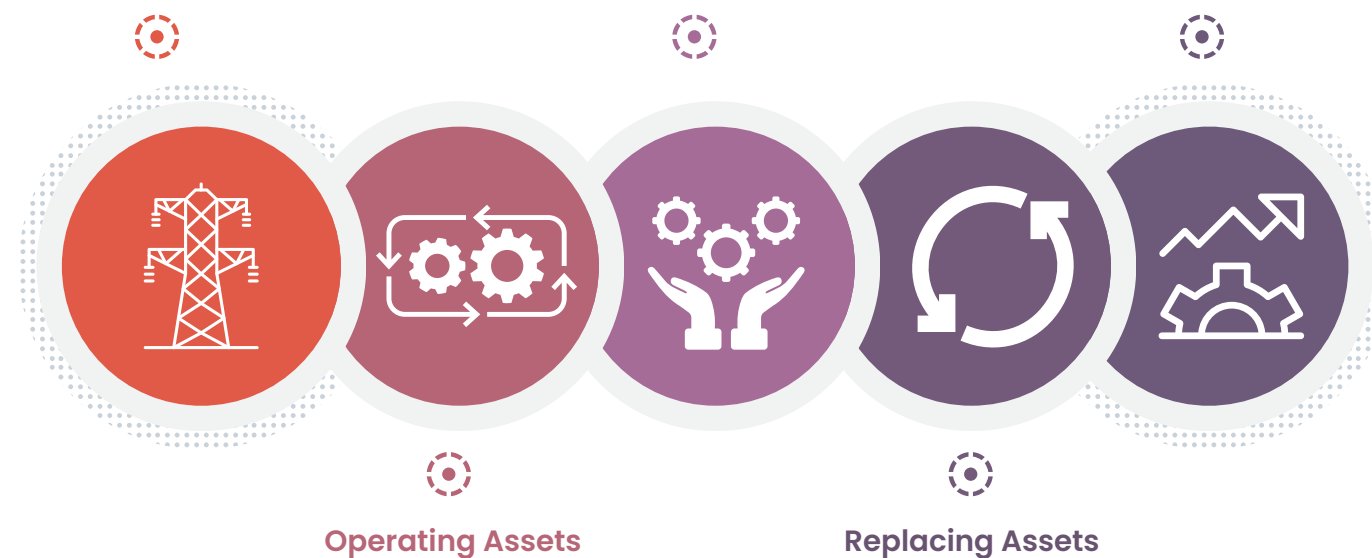
ASSET MANAGEMENT & MAINTENANCE

ASSET MANAGEMENT

Deploying Assets

Maintaining Assets

Upgrading Assets



In a Cost - Effective way with High Performance Levels

Transmission assets and infrastructure are fundamental to our business growth and essential to enhance our efficiency and competitive advantage. Our comprehensive asset management philosophy not only ensures efficient and productive usage of our infrastructure for our business growth and operations but also ensures that we mitigate the risks such as downtime and potential safety hazard to our valued employees.

We have consistently proved our mettle by gaining a rating of "Excellent" on our performance in terms of MoU with Ministry of Power with a score of 95.96 in FY 2021-22

We are planning to go green with our asset management practices by striving to replace our old SF6 Circuit Breaker (CB) with alternative environment sustainable gas/ clean air-based switchgear in AIS. We have proposed to install three sets of SF6 free AIS CB on a pilot basis. Similarly for GIS, to upgrade first model Green GIS in India at Badarpur AIS.

Green Initiatives in Asset Management:

1. Alternative for SF6 Gas: Replace the old SF6 Circuit Breaker (CB) with alternative environment sustainable gas/clean air-based switchgear in AIS:

POWERGRID is using SF6 gas in Circuit Breaker and Gas Insulated Substation (GIS) as insulating and arc extinguishing medium. SF6 is classified as a strong greenhouse gas (GHG) with a CO2 equivalent of 25,200 which is commonly used as an isolation gas in switchgear products.

POWERGRID is actively exploring environmentally friendly alternative to SF6 gas:

- For switchgear, POWERGRID plans to replace old SF6 circuit breakers with alternative environment-friendly gases or clean air-based switchgear.
- For GIS (Gas-Insulated Switchgear), POWERGRID plans to upgrade one GIS substation as a model green substation. As a pilot project, three sets of

Many years our efforts towards continuous operational improvement have fructified in the form of our exceptional performance 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.

SF6-free 145kV AIS CBs have been proposed for installation at the Imphal 400/132kV substation (commissioned in 1995).

- Similarly, the 132kV Badarpur AIS substation is proposed to be upgraded as the first model green GIS in India.
- 2. Ester Oil as environmentally friendly alternative
Earlier the experience in India on using alternate environment friendly fluid (esters) was limited to distribution & sub-transmission voltage rating transformers. POWERGRID, took a pilot project to commission world's first natural ester filled 420kV Shunt Reactor to gain field experience of such type of equipment. The Reactor was commissioned in 2021 and has been in satisfactory service since then. In a bid to further promote the green initiatives POWERGRID is carrying out a pilot project for retro-filling of an in-service 132kV reactor at Aizawl S/S with Natural Ester Oil. The work is being undertaken under the supervision of the Original Equipment Manufacturer (OEM) of the Reactor and is expected to be completed in the Year 2023. This will be the first time that a 132kV voltage class equipment will be retro filled with ester oil in India. POWERGRID is planning to procure 02nos. synthetic ester-based Reactors of rating 420kV 63MVAR capacity.

CONTINUOUS IMPROVEMENT OUR CHOSEN PATH

Our focus has always been to develop a more efficient, cost-effective, and reliable model for the transmission business. We are continuously strengthening our

capabilities with regard to our dexterity, scalability, safety, and sustainability aspects.

We believe it is not enough to do the right thing but to do them in the right way as well.

By integrating improvised service delivery excellence initiatives into our processes, we are focusing on improving both our processes and practices. One such example of our initiative wherein we have accessed the collective wisdom of our talent pool is by **establishing a centralized repository of innovative suggestions wherein any employee can share their engineering suggestions.**

Our unwavering focus on the optimal use of our manufactured capital has enabled us to generate exceptional operational and financial performance across our all-business lines.

We are now working towards our next big value-driver engine – i.e. harmoniously integrating technology into our business through our increased R&D investments. We will continue to build on our years of experience and focus on serving the nation in its aspiration to become a 5 trillion USD economy.

While our eyes are focused on looking into the future and making progress towards that, our hands continue to work on process enhancement and deploying the latest digital technologies while ensuring we deliver quality.



INTELLECTUAL CAPITAL



Knowledge and expertise that powers our
organisation's success



OUR PRIORITIES

Innovation &
Technology



Data Privacy and
Cyber Security



Proficient
& Capable
Employees



Integration of
sustainable
solutions



Digital
Transformation

STRONG STANCE OF OUR BREAKTHROUGH INNOVATION

At POWERGRID, we are an aim-driven team of professionals who are consistently focused on achieving breakthrough innovations. Our innovation-driven approach to research & development has not only improved our operational efficiency but has also fostered internal synchronicities. We continuously aim to drive key business transformation enabled by reliable, outcome-based, fit-for-purpose, and focused technology deployment. Our R&D strengths have laid out strong foundations on which our highly efficient network of transmission lines rests. To create sustainable and long-lasting value for our stakeholders, we always encourage creative ideas, improvement and integrating of pioneering technologies.

The spirit of innovation is at the core of POWERGRID's belief system. Thus, increasing our investment in R&D initiatives to drive innovation, enhance our product offerings and ultimately, deliver greater value to our customers. We are always on the lookout for any small/big market opportunities like inventing solutions for regional issues of reliable power delivery system, consulting for domestic and international clients, etc to innovate. Through our intellectual capabilities we have always excelled at these opportunities.

86% of the India's Inter-regional network is solely operated by POWERGRID, making us one of the key enablers of the stupendous growth of India's transmission sector. In our endeavor to illuminate and connect every corner of the country, we have extended the network of our transmission systems to even the most challenging and rough terrains. Leveraging on the strength of our intellectual capital, we will continue to innovate and usher in breakthrough technologies to strengthen the transmission network in line with the **nation's vision of Har Ghar Bijli**.

No. of Patents
Granted

2

R&D Team

M Techs / PhDs

team with diverse background
& task relevant Knowledge

POWERGRID ADVANCED RESEARCH & TECHNOLOGY CENTRE (PARTeC)

Pivoting toward Innovation in Power System

By leveraging our pan-India presence, inter-departmental synergies that enable efficient management of our infrastructure and our zeal to explore new avenues, we are fuelled to grow by strides. Innovation backed by research & development is ingrained in all elements of our operations including technology development, process innovation, material science studies and asset management.

We have a dedicated Advanced Research and Technology Centre (PARTeC). Our commitment to research and innovation has earned us international recognition. PARTeC has been acknowledged as a Research & Test infrastructure facility to conduct testing, simulation studies and miscellaneous research-related works by International Smart Grid Action Network (ISGAN)

The PARTeC Laboratories have earned accreditation for ISO 9001, showcasing its adherence to globally recognized standards for quality management systems. This accreditation highlights our commitment to maintaining robust quality control measures and ensuring customer satisfaction through continuous improvement. Calibration laboratory at PARTeC has been accorded with prestigious accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL).

Real Time Simulation Laboratory

It is one of the largest Real Time Simulator facility in India with 2340 nodes. It allows system transients to be studied in detail over a wide frequency bandwidth and user-specific requirements

Protection Automation & Control Laboratory

Helps in design and engineering of digital substations including Cyber Security vulnerability assessment and audit of IEC 61850 systems

Advanced Diagnostic Centre

State-of-the-art instruments for field testing, expert services for EHVAC/UHVAC equipment diagnosis and failure investigation

Wide Area Measurement System

Fast and Automated Calibration facility which allows compliance testing of PMUS of various makes/model as per latest IEEE standard C37.118, IEEE Synchro phasor Measurement Test Suite Specification and Customized Test Cases

Material Science Laboratory

This lab helps POWERGRID with analysis of structure failure and material, quality assurance, in-service performances, validation and testing of new and in-service materials



SERVICE DELIVERY ENABLED BY TECHNOLOGY

POWERGRID has always been at the forefront in adopting advanced technologies and smart service delivery processes in our supply chain. One such initiative is **integration of machine learning-based solutions** across our operation & maintenance processes to analyze and monitor the health of our assets better. This has helped us to take prompt corrective/ preventive actions for our asset management.

Keeping in view our growing asset base, the transition to the advanced technology is helping us achieve operational and cost efficiency simultaneously.

REFLECTING THROUGH PGDARPAN

One such key initiative is our in-house application **PGDARPAN (POWERGRID Digital Application for Routine Patrolling & Assessment of Network)**. The application is designed to aid our operations & management team to monitor and assess our transmission line at anytime from anywhere., thus enabling our asset controllers to oversee and take swift remedial decisions.

TAKING A BIG LEAP THROUGH UDAAN

We have also developed an **Asset Management Dashboard UDAAN (Unique Digital Analysis of Assets and Network)**. The dashboard acts as a single window for all the key performance indicators (KPIs). Thus, enabling a **bird's eye geospatial view** of our asset management system throughout the organization.

The dashboard contains precise details about inventory, asset health of transformers & reactors, daily operational data such as details & time of tripping breakdowns, alert signals for overloaded transmission lines and transformers, and helps with the weather forecast. Asking the right questions on the basis of the data collected through our dashboard will help us internally benchmark KPIs and further identify gaps towards our goals of best-in-class operational performance.

POWERGRID Asset Life Management System (PALMS 2.0)

We have upgraded our existing asset health indexing software and created a more effective version of in-

house **Asset Health Indexing Software PALMS 2.0**. The software monitors the health of our transformers and reactors against various risks associated on a real-time basis. This enhancement includes more sophisticated diagnostic methods inspired by our learnings while interpreting results and various international standards. By incorporating Circuit Breaker details also into the PALMS system, we have established a streamlined approach to monitor and track the health of our Circuit Breakers, enhancing our operational efficiency and maintenance processes.

Another such digital intervention in an information-sensitive aspect of our business is our centralized relay database management system. It has been introduced to enhance the adeptness of relay settings management and account for savings of manhours in the maintenance of the assets.

DIGITAL SUBSTATIONS

We are the forerunners in successfully implementing digital substation technology projects. Inspired by the Government of India's Digital India Mission, POWERGRID has retrofitted an Old substation in Malerkotla in the state of Punjab making it India's first substation with Digital Technology at 400 kV Voltage in Dec'2020. Further, first green field 220/66kV Hallo Majra (Chandigarh) digital substation has been also commissioned in Jan'2023.

With the commissioning of Malerkotla & Hallo Majra Digital Substations, POWERGRID has joined the select club of very few Utilities, in the World to have commercial implementation of Process Bus based Digital Substation.

This breakthrough in substation establishment

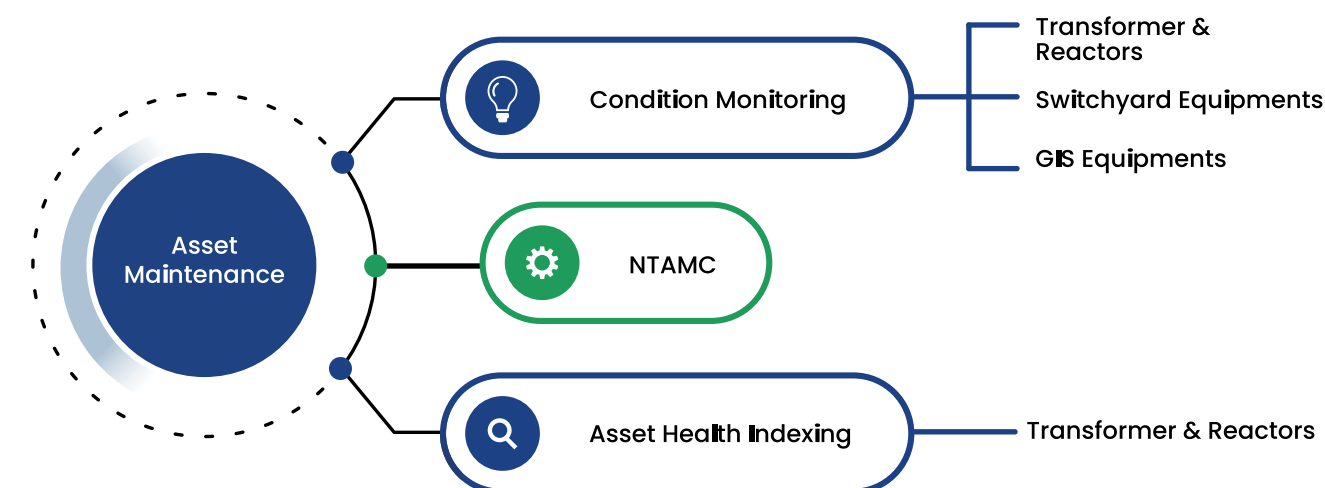
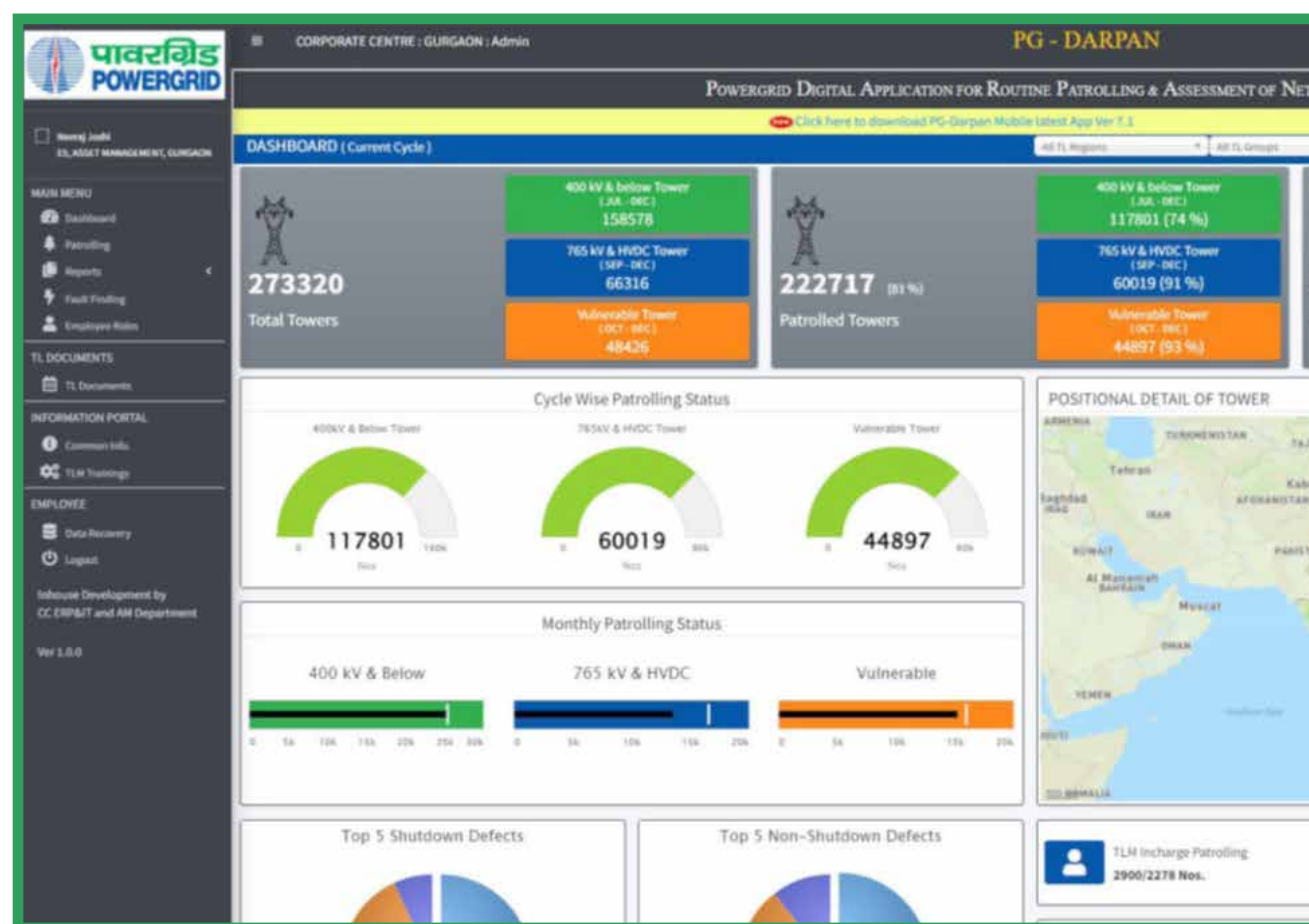
technology is set to enhance the overall availability of the systems by enabling comprehensive, online testing of control & protection system through a single access point. This will provide advanced diagnostics, more precise and accurate visualization of information for insight-aided decision-making, reduced commissioning time, lesser copper requirement and a leaner ecological footprint.

CENTRALISED ASSET MANAGEMENT

Setting up robust transmission system is just one aspect of our business. Maintenance of the infrastructure is critical to ensure quality service as well as for the longevity and performance of the asset managed. We have also established a National Transmission Asset Management Centre (NTAMC) at Manesar and multiple Regional Transmission Asset Management Centers (RTAMCS) which helps us in remote monitoring and operation of our transmission system on a real-time basis.

These are one of its kind asset management centres which are equipped with state-of-the-art machinery and equipment and are monitored round-the-clock by experts.

During the fiscal year, one of our biggest achievements was the inclusion of ten additional Extra High Voltage (EHV) Substations with NTAMC making the total to 271 Substations that are being maneuvered remotely from our asset management centers.



Condition Monitoring Tests are carried out as a part of Annual Maintenance Plan (AMP) for all major Assets

In addition to digital interventions in our core business activities, we have created various other portals/ applications like Drishti, AM Compliance Portal, Prabha chatbot, Swacchhta Pakhwada Portal, Apprentice Portal, Har Ghar Tiranga portal, Reservation Portal, NCSAM Portal, ESMD portal, HR-Policy Portal – Niti Sangrah, Probation Portal, etc. which are being used for ease of communication, engagement and learning of our human capital.

FORGING A FOUNDATION OF OUR INTELLECTUAL PROPERTY

One of our key deliverables is maintaining the continuous availability and load-management performance of our infrastructure. Continuous Innovation & Research at POWERGRID is key for driving our focus on Intellectual property (IP) formation, we are always looking ahead for prospects to create new patents on cutting-edge transmission technologies, and many of them are put to use for our commercial benefit and efficient delivery.

A smart socket can add smart functionality to an appliance or electronic device and a smart home energy manager can monitor and manage energy usage throughout the entire home. Energy Efficient

'Smart Socket and Smart Home Energy Manager'



Our first patent is developed in collaboration with IIT Kharagpur.

'Energy Efficient All-Season Roof Screening'

All-Season Roof Screening is an innovative process / system for reduction of energy usage in buildings without compromising the comfort of occupants. It has been invented after rigorous experiments and evaluations in the laboratory setup in POWERGRID.

This fusion has been instrumental not only for us to explore various R&D opportunities but also enhances the overall learnings and experience of academic institutions with whom we are engaged with.

We are magnifying our innovation footprint by actively collaborating with eminent institutions such as the Indian Institute of Technology and the Indian Institute of Science etc. As a step towards further indigenization, an automated Substation Inspection Robot in collaboration with IIT Kanpur is being developed. This will also help us with data-driven decision processes using modern Artificial Intelligence / Machine Learning (AI/ML) techniques like predictive and prescriptive analytics.

This fusion has been instrumental not only for us to explore various R&D opportunities but also enhances the overall learnings and experience of academic institutions with whom we are engaged with.

PRIORITISING DATA PRIVACY & SECURITY AT POWERGRID

Keeping in mind the wide range of services POWERGRID offers to important government agencies and departments, it is critical for us to provide a safe and secure infrastructure to rely upon. We always strive to ensure all critical and significantly important information is guarded. To that aim, data privacy, data protection, and cyber security are included in the design of POWERGRID services over their entire lifecycle.

To ensure that we have put in place all the necessary policies and made sure that all of our offices are certified for **ISO: 27001 Information Security Management System**. We also conduct comprehensive training programs for employees and have also regularly participated in programs and simulations organized by Computer Emergency Response Team (CERT-In) and National Critical Information Infrastructure Protection Center (NCIIPC).

Working collaboratively, we are also **setting up a Centre of Excellence (CoE) in Cybersecurity in Transmission and Grid operation at IISc Bengaluru**. Our long-term collaborative effort will fructify in terms of continuous innovative research and is focussed on cybersecurity in association with academia paving our way towards a cyber-resilient transmission system. Being a pivotal organisation for transmission sector, POWERGRID also co-ordinates with transmission sector utilities for strengthening cyber security posture across the sector.



INNOVATION AS A CULTURE

Over the years, by fostering a culture of curiosity, creativity and collaboration, we are confident in our ability to leverage our R&D capabilities to explore uncharted business opportunities through providing innovative solutions for the nation. We are committed to play our part in nation's goal of transitioning to non-fossil fuel-based energy, and are pivoting our focus on developing cost-effective solutions that contribute towards manifesting India's lead in a new global order of a sustainable world.



National Transmission Asset Management Centre (NTAMC), Manesar

NATURAL CAPITAL

Resources that sustain our organisation's environment and economy

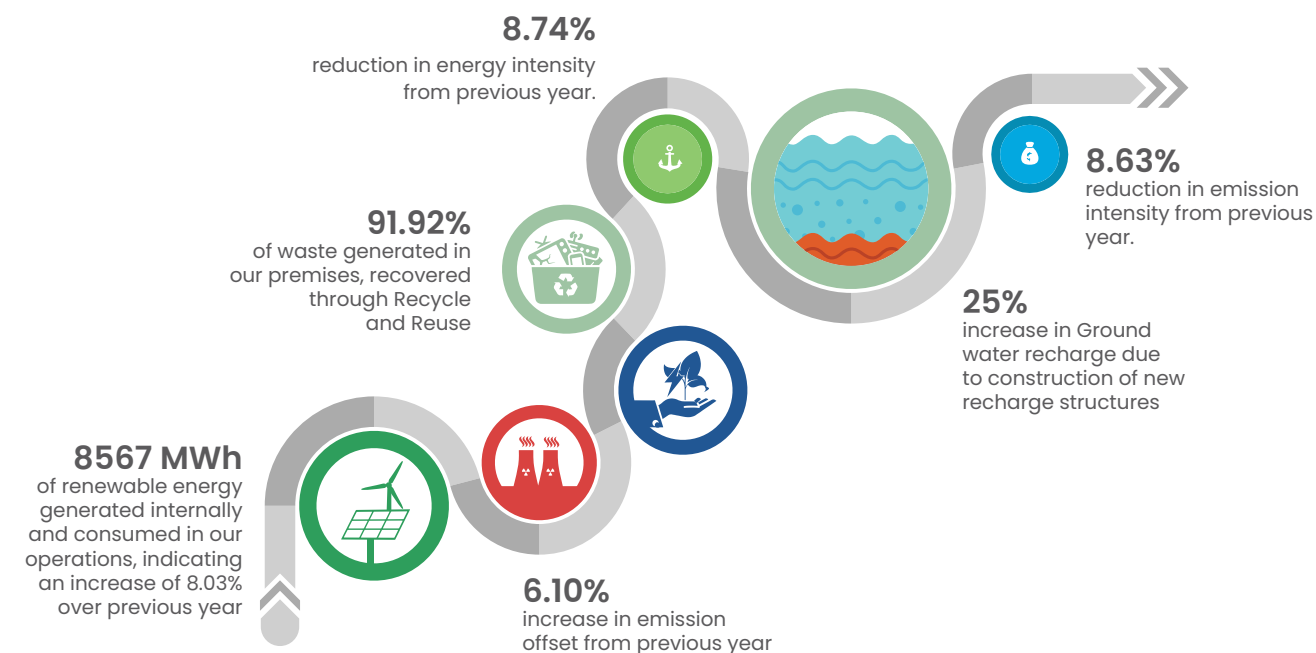
With the ever-increasing threat of climate change, environmental degradation due to increasing pollution, growing conflicts between industries and society for the control of Natural resources such as Land and water, the contours of challenges being faced by businesses are changing rapidly. POWERGRID, being a responsible corporate entity always addresses negative externalities associated with its business processes. We sincerely believe and appreciate that meaning of business sustainability is not limited to financial sustainability only, but necessarily includes avoidance, minimization and mitigation of Environmental impacts, ensuring safe working conditions for employees and contract labour, addressing social issues arising from business practices and taking up relevant CSR projects and activities aimed at community development.

POWERGRID's operations have minimal negative impact on the environment due to non-involvement of any chemical process in our operations resulting in minimal release of any air or water pollutants in the environmental matrices. Our Environmental and Social impacts are largely confined to construction

phase of our projects and are of low impacts, confined to project areas and are largely reversible in nature.

However, we are fully aware and acknowledge the dangers associated with rapidly changing climate scenario, which is posing an existential crisis for the whole Humanity. Though, our transmission projects have very low carbon footprints, compared to the magnitude of our business, which is demonstrated by low emission and energy intensity of our organization, nevertheless, we recognize that there are associated direct and indirect emissions, mitigation of which is our constant and continuous endeavour. Our efforts towards mitigation of our direct and indirect emissions are guided by our Board approved ESG Policy (https://www.powergrid.in/sites/default/files/inline-files/ESG_Policy.pdf), which sets a clear and distinct target of becoming a Net Zero Emission company by 2047. Our overall approach towards Sustainability emanates from our Environment and Social Policy & Procedure (ESPP) and is centred around the cardinal principles of Avoidance, Minimization & Mitigation.

TRACKING OUR ENVIRONMENTAL PROGRESS FOR FY 22-23



Our strong environmental commitment is demonstrated in the fact that no non-compliance with applicable environmental laws and regulations was reported during the reporting period. Additionally, we invested ₹ 68.38 Crore in environmental protection initiatives this financial year.

Environmental & Social Assessment of Projects for the selection of Best Alternative

Considering the negligible Environmental impacts of transmission projects, they have been kept out of purview of The EIA Notification 1994/2006. Accordingly, no environmental assessment is required for transmission projects. However, POWERGRID, as a responsible corporate citizen mandatorily conducts Environmental & Social (E&S) assessment of all its projects by studying the environmental/social features in details of at least 3 nos of technically possible/viable routes/sites. Based on this study, the most suitable route/site with least E&S impacts is recommended for construction, even if the same is costlier than others. The E&S Assessment study helps us in avoidance/minimization of Environmentally and Socially sensitive areas such as Forest/Wildlife, wetlands, Identified Bird Areas, Areas of Archaeological & Historical importance, Human settlements, School, colleges, religious places like temples, mosques & churches etc.

Emissions Reduction, Energy Efficiency & Progressive Adoption of Renewal sources of Energy

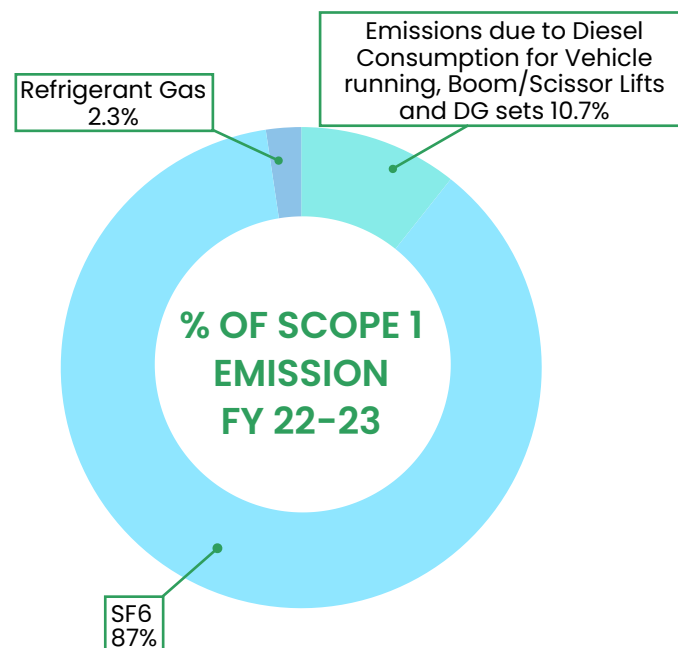
As one of the leading public sector service enterprises of India, POWERGRID is committed to aiding India's shift to a low carbon economy not only by acting as an enabler for integration of renewal energy into National Grid but also focussing on emission reduction and energy efficiency in its own operations.

POWERGRID is an ISO 50001:2018 certified organization, following a systematic approach in achieving a continual improvement of energy performance & the Energy Management System (EnMS)

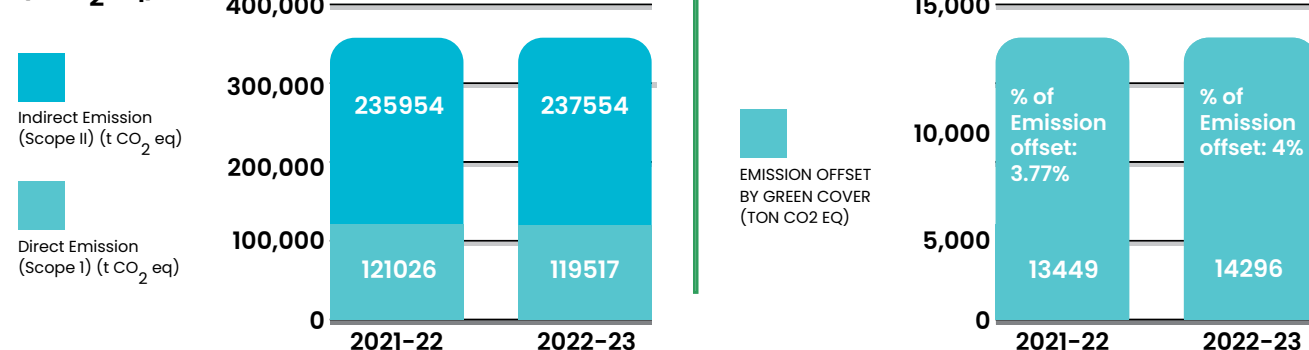
EMISSION REDUCTION

We take complete responsibility of our emissions and are committed to mitigate them.

In spite of a miniscule leakage rate (0.14%), Fugitive emission in the form of SF₆ leakage is the prime source (86.97%) of our Scope I emission, largely due to its very high Global Warming Potential (GWP). Additionally, a small part of our Scope -I emission is also attributable to diesel use (10.68%) largely for vehicle running, Boom/Scissor lifts and running of DG sets mainly for testing purpose. Leakage of refrigerant gases (2.35%) also forms a tiny part of our Scope-I emission.



TOTAL EMISSION (t CO₂ eq)



As evident from the above table, our total emissions increased by a mere 0.02%, in comparison to an increase of 2.64% in number of substations. At the same time, our percentage increase in emission offset increased by 6.10% during this period.



To lower our emissions, we have taken various initiatives that have resulted in tangible improvements. Some of these initiatives include:

- Installed highly sensitive SF₆ leakage detectors along with provision of alarm system in all our major equipment to monitor potential leakage points. Additionally, we have internally set a limit of 0.5% on SF₆ leakages.
- Maintaining a tight inventory control of SF₆ gas along with training/sensitization of manpower on handling SF₆ gas, leak detection and its environmental impacts.
- We are continuously working and looking into possible alternatives of SF₆ gas. As a part of such endeavour, we have planned to replace SF₆ gas with a greener alternative in few of our substation on a pilot basis in near future.
- To reduce our Diesel consumption, we are in a process of greening our fleet by shifting to Electric Vehicles (EVs). By the end of the FY 2022-23, we had 92 nos of EVs by replacing a similar nos of Diesel vehicles.
- Most of the new and upcoming substations are having R-32 as Refrigerant Gas, in place of more polluting options such as R-22, R-410A etc.
- Undertaking various initiatives towards energy conservation and progressive implementation of renewal energy resources for internal energy use, in order to, contain and reduce our Scope-II emissions.

Though, DG sets located in our substations are run for a short duration mainly for testing purpose, in view of presence of two very reliable and stable sources of electricity (dedicated feeder from DISCOMS and a tertiary power source directly from the GRID), the same are subject to systematic and regular maintenance as per Preventive Maintenance System (PMS) resulting in minimal emission from them.

ENERGY EFFICIENCY

POWERGRID is committed to promoting energy efficiency in all aspects of our operations. We have implemented a range of measures to reduce our energy consumption and associated carbon footprint, including the adoption of energy-efficient technologies.

- We are a BEE Grade-I Energy Service Company (ESCO), indicating our ability to invest in and execute energy-efficient projects
- The use of less energy-intensive appliances, such as LED lamps, fuel catalyst devices for DG sets, solar photovoltaic in office buildings, etc., has been introduced as part of our energy conservation efforts.
- Instead of using petrol or diesel vehicles, electric carts are being introduced progressively within the premises of substations
- POWERGRID has also been working for e-mobility to ensure energy sustainability by adopting Electric Vehicle (EV) for carrying out business activities and setting up Charging facilities at offices, sub stations and at our townships.

POWERGRID has committed to achieve 50% of its electricity consumption from renewable sources by year 2025

- Positive behavioural changes towards energy conservation is also induced through various measures such as training and sensitization through posters, slogans, workshops etc.

Our total energy consumption reduced by 0.08%, inspite of addition of 9 new substations in our pool. At the same time, our renewal energy generation and consumption increased by 8.03%, coupled with 12.20% increase in installed solar capacity.

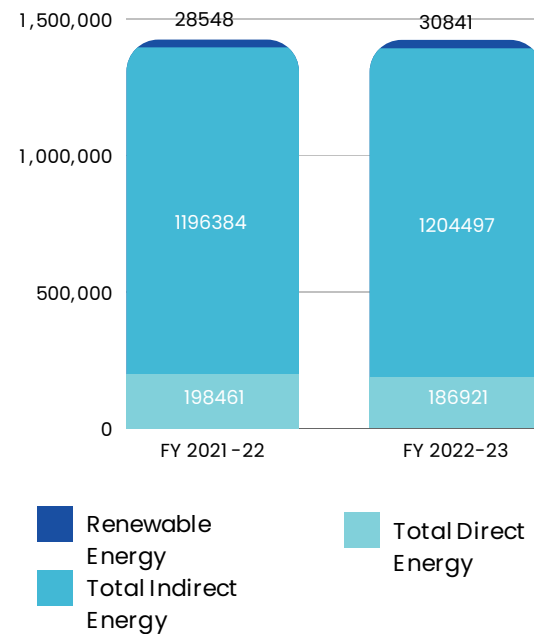
As a result of various energy saving initiatives, POWERGRID has reduced its energy intensity by 8.74% during the reporting period from previous year.

Acting as an enabler for integration of Green Energy

A swift transition from fossil fuels to green energy is important to tackle climate change and to facilitate

We strive to become a
**Net Zero
Emission**
company by **2047**

ENERGY CONSUMPTION (GJ)



a shift towards green economy. POWERGRID is taking on a crucial role in the integration of energy generated by renewable resources by incorporating renewable energy zones into its grids and facilitating its availability across India.

We have also implemented Green Energy Corridors (GEC) - Inter-State Transmission System (ISTS) at 765 kV & 400 kV level and did establishment of Renewable Energy Management centres (REMC) in the state of Telangana during the reporting year making it 12 centres that are operational now through which we are able to understand and carry out forecasting of Renewable energy integration.

WATER MANAGEMENT

India as a country supports around 18% of the

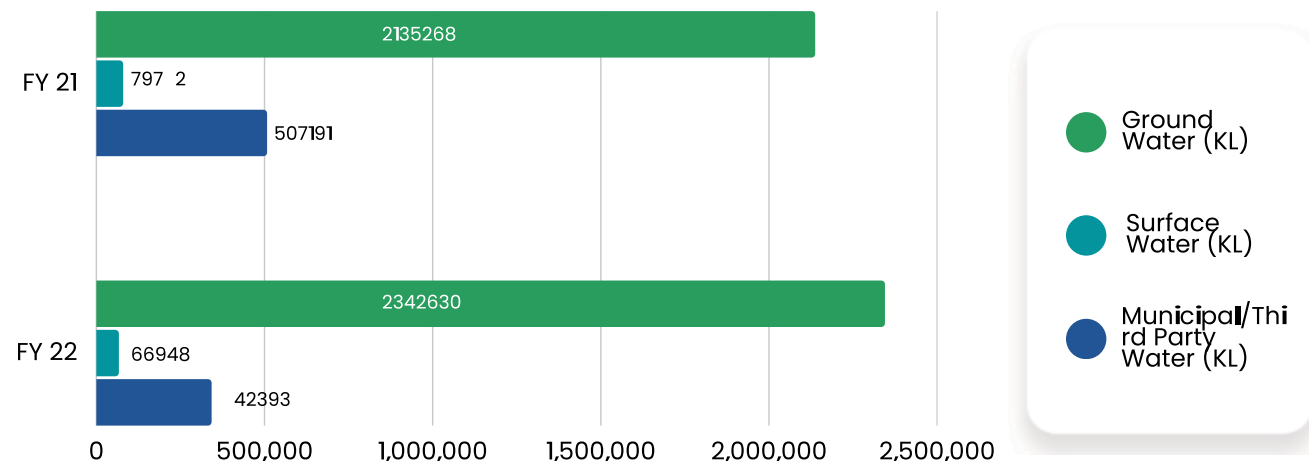
world's population with around 4% of the world's water resources. This obvious dichotomy leads to a challenging situation on water front, not only in quantitative aspects but also in qualitative aspects. There is a wide consensus that all stakeholders including different user groups such as Farmers, Industries and households have to make sincere efforts to address this critical issue.

Though, POWERGRID is classified as an industry, water in our establishments is not used for any industrial purpose, except for a small quantity of water as make-up water for cooling purpose in our HVDC substations. The use of water is confined to domestic purpose in our establishments mainly for offices and a few residential units. As such, both the quantity of water used as well as domestic waste water generated is limited in quantity.

In spite of our limited water footprints, as a conscious organization, POWERGRID fully understands and appreciates the importance of proper water management practices. Accordingly, we have formulated a water management policy (https://www.powergrid.in/sites/default/files/inline-files/Water_Policy.pdf) which has already been approved by our Board and sets a target for the organization of becoming water positive by 2030. In accordance with our Water Management Policy, our efforts towards water conservation are concentrated on minimising water use through Reduce, Recycle & Reuse, on the one hand and ensuring maximising ground water recharge through rainwater harvesting on the other hand.

Our efforts towards water conservation are showing positive results. In the reporting period, our water consumption stands at 2777668 KL, which is an increase of 2.04% from the previous Financial Year. However, during the same period, the quantum of Ground Water Recharge increased by almost 316371 KL, representing an increase of around 25%.

Water Consumption



POWERGRID is aware that any water management program won't be successful without taking care of qualitative aspects of water. Accordingly, waste water generated in our establishments, which is essentially domestic sewage is either treated through soak pits or through STPs and treated water is used in the campus itself, except for a tiny part discharged into public sewerage system, in case of a very few establishments located in urban areas. This results in absolutely ZERO water pollution impacts on nearby communities from our operations, as envisaged in our Water Management Policy.

Rainwater Harvesting Systems resulting in Ground water recharge form an important part of our water management practices. Rainwater harvesting structures based on the recharge potential of our campuses have been established in a large number of substations and further, it is an ongoing process in rest of our campuses. Accordingly, we are witnessing a continuous increase in total volume of ground water

recharge as well as water recharge as percentage of total water consumption.

We sincerely believe that our efforts towards addressing the challenges associated with the "Elixir of Life" should not be limited to our campuses only, rather community as a whole should also be benefitted from our efforts. In line with our Water Management Policy, we are undertaking many impactful projects to ensure water conservation as well as water accessibility at community level every year. During the reporting year also, we spent a cumulative sum of ₹ 38.05 Crore on such schemes under our Corporate Social Responsibility schemes.

CONSCIOUS CONSUMPTION & MATERIAL MANAGEMENT

The importance of Conscious consumption of Natural resources and Responsible material management can be gauged by the fact that they not only play a very important role in a country's economy but also their extraction and utilization entail an Environmental & Social cost. Major Raw material used in transmission projects are metals such as Steel and Aluminium apart from concrete. POWERGRID is on a continuous journey to conserve natural resources and materials used in its projects and operations through adoption of several technological and policy measures such as optimization of designs, adopting digital substations, using better and efficient conductors with higher current carrying capacity, judicious mix of HVDC and HVAC, transmitting power at higher voltage levels, preference to multi-circuit towers, wherever possible etc.

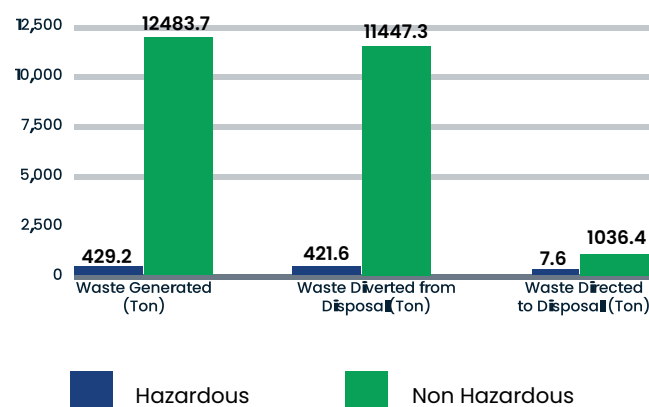


WASTE MANAGEMENT

POWERGRID has adopted a responsible approach to waste management, guided by the 3R model – Reduce, Reuse, Recycle, as indicated in its Board approved Waste Management Policy (https://www.powergrid.in/sites/default/files/inline-files/Waste_Policy.pdf)

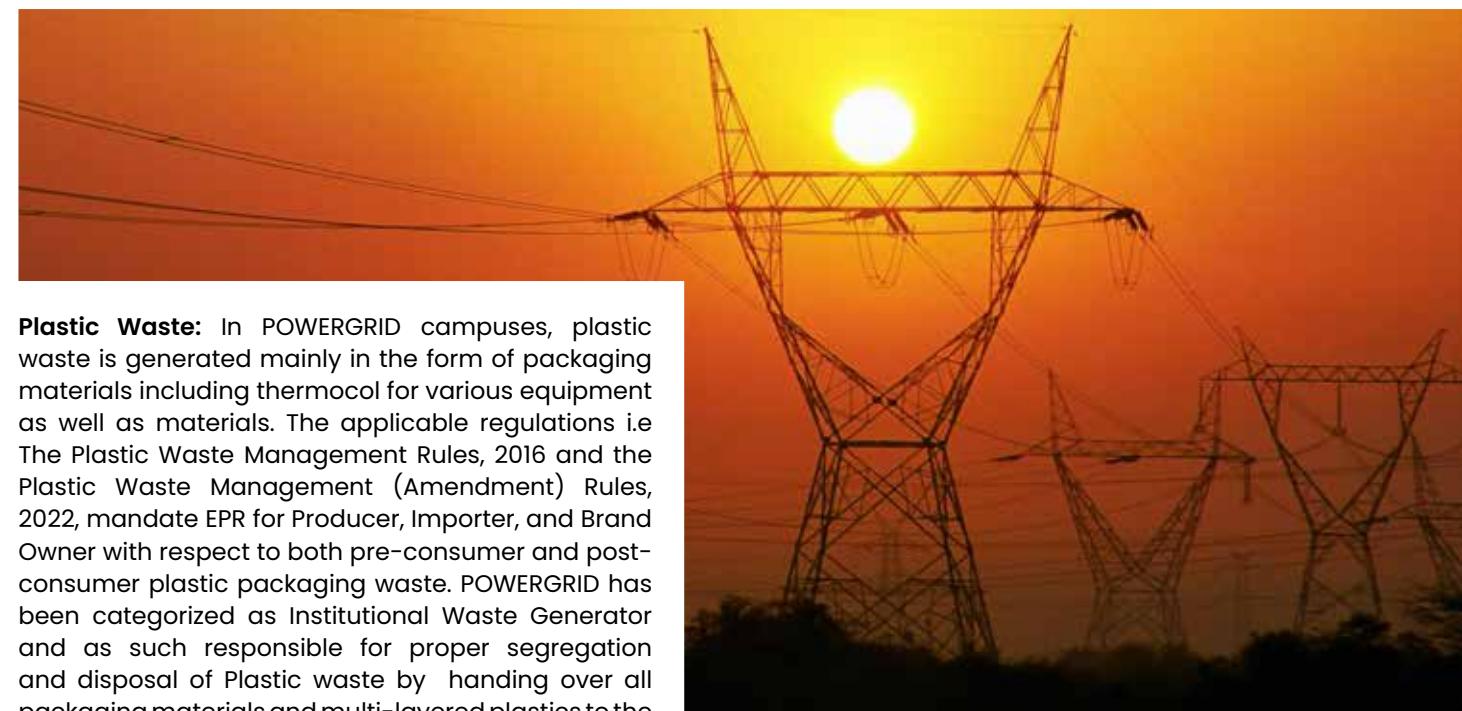
The policy also sets an inspirational target for us to achieve and maintain a 'A Zero Waste to Landfill Corporate' status by 2030. Here, it is imperative to mention that POWERGRID's activities don't involve any chemical process. As such, no process wastes are generated in its establishments. Most of the industrial wastes pertain to construction with occasional generation of wastes pertaining to Operation & Maintenance activities. Accordingly, no clear trend in the quantity of different kinds of waste produced would be possible. However, whatever waste is generated during our operations is taken care in accordance with the applicable regulations and also in line with our waste management policy.

The major waste streams generated in POWERGRID's operations and their management is given below:



Used Transformer oil, which is categorized as Hazardous in nature by the applicable regulation i.e the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, is carefully handled and managed. Transformer oil is changed rarely only in exceptional scenarios like usage unsuitability due to failure of equipment. In such cases, it is collected and stored separately without mixing with other waste streams/materials and labelled as per Form-8. The stored used transformer oil along with drums containing it is disposed of by either selling/sending it to actual users or to registered recyclers, within 90 days of generation of the same and annual return as per Form-4 is filed to the concerned SPCB. Drums containing fresh Transformer oil that have been emptied are disposed of by means of an online auction on the website of a Miniratna PSU called M/s Metal Scrap Trading Corporation Ltd (MSTCL). To prevent any oil spills mixing with soil or water bodies, the design of transformer includes the provision of oil sump/pits of sufficient volume as an essential feature, with each pit linked to the primary gathering sump. There were no significant spills reported in the current Financial Year.

Used Batteries: Batteries are used in POWERGRID's substations mainly for relay and protection equipment. After completion of their useful life, these batteries are rendered as battery waste. The Battery Waste Management Rules, introduced in 2022, classifies POWERGRID as a consumer of batteries and introduced the concept of Extended Producer Responsibility (EPR), thus, making the producers responsible for the refurbishment or recycling of the batteries they introduce in the market. Accordingly, POWERGRID disposes its battery waste by handing it over either to the producers of the batteries or their authorized representatives.



Plastic Waste: In POWERGRID campuses, plastic waste is generated mainly in the form of packaging materials including thermocol for various equipment as well as materials. The applicable regulations i.e The Plastic Waste Management Rules, 2016 and the Plastic Waste Management (Amendment) Rules, 2022, mandate EPR for Producer, Importer, and Brand Owner with respect to both pre-consumer and post-consumer plastic packaging waste. POWERGRID has been categorized as Institutional Waste Generator and as such responsible for proper segregation and disposal of Plastic waste by handing over all packaging materials and multi-layered plastics to the producers/importers/Brand owners as applicable.

Construction & Demolition (C&D) Waste: C&D waste generated in our campuses are either reused largely for filling and levelling purpose within the campus or in third party campus with the explicit permission of the owner.

Metal Scraps that are primarily produced during construction activities such as tower erection and stringing of conductors are recycled and sold to scrap vendors through auctions.

E-waste such as Computers, Laptops, Printers, cartridges etc. is channelized to authorized collection center(s) or registered dismantler(s) or recycler(s) or is returned to the pick-up of take back services provided by the producer.

BIODIVERSITY

Biodiversity Conservation & Carbon sink

Forests, Wildlife Sanctuaries, National Parks and other ecologically rich areas play a dual role in maintaining the environmental equilibrium. On the one hand, they act as carbon sink by absorbing Carbon Dioxide, the most prevalent Green House Gas (GHG), on the other hand, they are the hotspots of bio-diversity. Recognizing the important role, our forests and protected areas (National Parks/Wildlife Sanctuaries etc) play, POWERGRID assigns utmost priority to

At the Maithon substation located in West Bengal, we commissioned world's first 400 kV reactor that uses natural ester oil instead of synthetic mineral oil.

their protection and conservation. Avoidance/Minimization of such ecologically rich area has been made an integral part of the route selection criteria, in line with the basic principles of Avoidance, Minimization and Mitigation as enlisted in our ESPP (<https://www.powergrid.in/sites/default/files/inline-files/ESPP.pdf>) and our ESG policy.

Though, not mandated by the applicable regulatory framework, an Environmental & Social Assessment (ESA) is conducted for all upcoming projects, wherein, an analysis of at least three feasible routes/sites is carried out based on different Environmental and Social parameters including involvement of Forest/wildlife areas in the route/site. Based on this analysis, the most optimum route/site with least E&S impacts is recommended for construction. Further, while doing such analysis, features of modern technological features such as GIS, GPS, Remote sensing, QGIS etc are utilized to get the best possible results. This methodological approach has not only helped us in avoidance/minimization of ecologically sensitive areas such as Forest & Wildlife but has also facilitated in reducing the social footprints of our projects by avoidance/minimization of socially sensitive areas such as residential/populated areas, religious places and places of historical & Archaeological importance.

POWERGRID's contribution to Global warming and the resultant Climate Change is negligible compared to industries with similar financial output. However, we fully understand the kind of existential threats the whole world is facing due to this global problem and accordingly we believe that globally co-ordinated actions involving all stakeholders including the Governments, Civil society, scientific institutions, industries, investors and citizens is needed to address

this. POWERGRID is undertaking all possible measures such as progressive shift to renewal sources of energy, transition to electric vehicles from more polluting Diesel Vehicles, utilization of better technologies etc to reduce its emissions. At the same time, we are also trying sincerely to develop and enhance carbon sink capacity. As a part of afforestation drive, we undertake massive plantation drives each year both in our establishments and also outside in

Our continuous endeavour towards protection of forest and wildlife areas resulted in progressive reduction of involvement of such areas in our projects from 6% in 1998 by more than 60% during the reporting period, thus, saving around 26693 Ha of precious forest land.

Carried out a study titled “Assessment of Impacts of power lines on Avifauna in the Arid planes of Western Gujarat” in association with domain experts from Wildlife Institute of India (WII)

We considered the impact of EHV transmission line on avifauna including Great Indian Bustard (GIB) and identified the gap of absence of country specific credible data and thus came out with this study. The outcome of the above study will help all Transmission and Distribution utilities in analysing the actual impacts of Power lines on avifauna as well as figuring out better safeguard measures for their protection in future

Green cover development

Around 6.56 lakhs standing trees resulting in absorption of 14,296 tons of CO₂ annually.

collaboration with state forest departments. **By the end of FY 2022-23, POWERGRID’s establishments have around 6,56,702 trees resulting in absorption of 14,296 tons of CO₂ annually, amounting to offset of 4% of its total emission.** Additionally, the plantation drives have resulted in development of green cover in outside areas also.

TECHNOLOGY FOR SUSTAINABILITY

POWERGRID is a national leader in the industry. This leadership position not only encourages us towards development of innovative technologies but also encourages us to proactively adopt modern technologies. Our inhouse developed innovative tower designs resulting in various multi-circuit towers, narrow base towers, extra tall towers, pole type towers have resulted in reduced Environmental & Social impacts associated with our transmission lines, including involvement of forest/wildlife areas to lesser extent. Similarly, adoption of Gas Insulated

Switchyard (GIS) in place of traditional Air Insulated Switchyard (AIS), specially in areas with higher pressure on land resources has not only reduced our land requirement for our substations and associated social impacts but has also ensured smooth project execution. One of our most significant in-house technological innovation is “utilization of induced

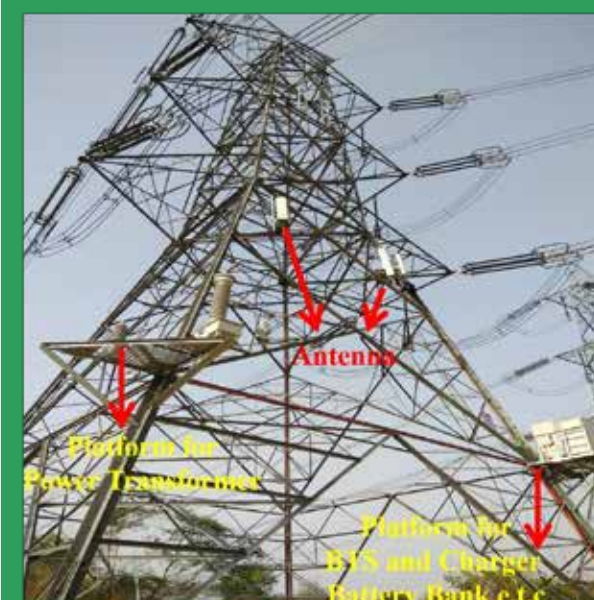


power in earth wires of Transmission lines for powering of telecom antennas.” By eliminating the need of DG sets, this innovation has the potential of reducing 40-50 tCO₂ eq at each location, thus, playing an important role in combating climate change. Additionally, possibility of release of pollutants associated with use of DG sets such as Particulate matters, Oxides of Nitrogen and Hydrocarbons will also be eliminated. Another of our in-house innovation is development of digital substations, which will significantly reduce the use of Copper an important natural resource. In order to reduce our waste footprints, we commissioned world’s first 400 kV reactor with natural ester oil in place of synthetic oil. Since used synthetic oil along with its container is categorized as Hazardous waste by the applicable Indian regulation, this innovation is expected to significantly reduce the quantity of hazardous waste generated in our establishments in future.

Monopole Type Towers



Extra Tall Tower to Avoid Deforestation



Technical Arrangement for Tapping of Induced Power in Earth Wire

HUMAN CAPITAL

Collective skills, knowledge and abilities driving our organization's excellence and innovation





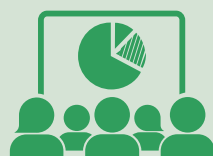
Nurturing an employee strength of 8342
(permanent employees)
in FY 2022-23



Innovation fuelled by 265 new hires
(permanent employees)
in FY 2022-23



A positive work environment demonstrated by an attrition rate as low as 5.37%
in FY 2022-23



Enhancing our people capabilities through 4,94,144 man-hours of training
in FY 2022-23

EMPOWERING THE PEOPLE OF POWERGRID

POWERGRID's exceptional excellence that has led us to become a world-class power transmission organization is a reflection of our competent, dynamic and motivated workforce who have acted as core enablers of our continuous growth and unmatched operational efficiency. **Our people are our greatest strength. It is their undeterred determination and commitment to the nation and the organization that has helped India to achieve the milestones it had set out in its power transmission journey.**

We care for our people and endeavour to foster a high-trust, efficacious, and purposeful work culture where our people feel belonged and empowered.

Given the industry dynamics and rapidly changing ambit of skill requirements, we aim that our employees to stay ahead of the curve in the face of changing realities. Our capacity-building strategic priorities are - finding the right fit first by putting forth enticing employee value propositions and then empowering them to sustain and thrive. Inspired by this methodology, we have adopted a holistic approach to human capital enhancement that focuses on multiple spectrums of talent management simultaneously.

FOSTERING CREATIVITY THROUGH LEARNING AND DEVELOPMENT

Through continuous learning and skill enhancement, POWERGRID strives to create best-in-class organizational capabilities possessing future ready skills for unrivalled market competitiveness. For us, the growth of the organization and the growth of our people are mutually reinforcing. We strive to equip our people with efficiencies that enable them to excel within and beyond the circumference of POWERGRID. Our reskilling and upskilling initiatives are rooted in our organizational value - **Zeal to Excel and Zest for Change**. We provide a wide range of training to our employees including induction, hands-on, managerial, and behavioural programs.

In the last 2 years, we have conducted more than 9,31,672 learning hours of training, out of which 4,94,144 hours were conducted in FY 22-23. In 2021-22 and 2022-23, the average training man days per employee were 6.41 and 7.40 respectively. The training expenditure (excluding Travelling Expenses) was ₹ 27.11 Crore and ₹ 35.39 Crore in 2021-22 and 2022-23 respectively. This reporting year, 575 trainings were conducted which included 300+ types of trainings.

A Holistic Reskilling and Upskilling Ecosystem:

Sectoral Empowerment :

- POWERGRID Academy of Leadership (PAL) - State-of-the-art Institute, providing a wide range of training to POWERGRID employees and other stakeholders in India and abroad.



PAL recognized as **Category-I Institution for Training** in Transmission by the Central Electricity Authority, Ministry of Power, Government of India

570+ training and development programs organized at PAL, employee development centers, and associated premier educational institutes in India and abroad in FY 2022-23

- Hosted seven modules related to Power transmission for GOI's ambitious "Mission Karmayogi" Programme.
- Under Capacity Building and Institutional Strengthening - North Eastern Region Power System Improvement Project (CBIS-NERPSIP), POWERGRID is undertaking Capacity Building and Institutional Strengthening program for State Power Utilities in 6 (six) states (Assam, Meghalaya, Mizoram, Manipur, Nagaland, Tripura) and Capacity Building under Comprehensive Scheme in 2 (Two) States (Arunachal Pradesh & Sikkim)

Youth Empowerment:

- Imparted skill development training of 6000 unemployed youth in power Sector across

22 locations in India by signing an MoU with National Skill Development Corporation (NSDC), National Skill Development Fund (NSDF), Power Sector Skill Council (PSSC)

Employee Empowerment:

- Partnered with premium educational institutes and centers of learning (IIT-Bangalore, NIT-Jalandhar, NTPC School of Business, ISB Hyderabad) in India and abroad to enhance and strengthen the leadership qualities/technical capacity of our employees
- Sponsored programs in Data Analytics, Machine Learning & Artificial Intelligence.
- Leadership development program for its senior executives for empowering them in their career advancements
- "PRAGYAN" - An e-learning portal that provides organization-specific crucial information through video/text-based e-learning and refresher courses
- HRD Action Planner that enables employees to train in respective areas based on their individual training needs and Training Plan Matrix
- Introduced "SANDARSHIKA" - an online portal for Mentoring and Coaching employees where 4700+ employees were benefitted
- 1,76,916 manhours of trainings were delivered through various online and digital learning programmes in FY 23

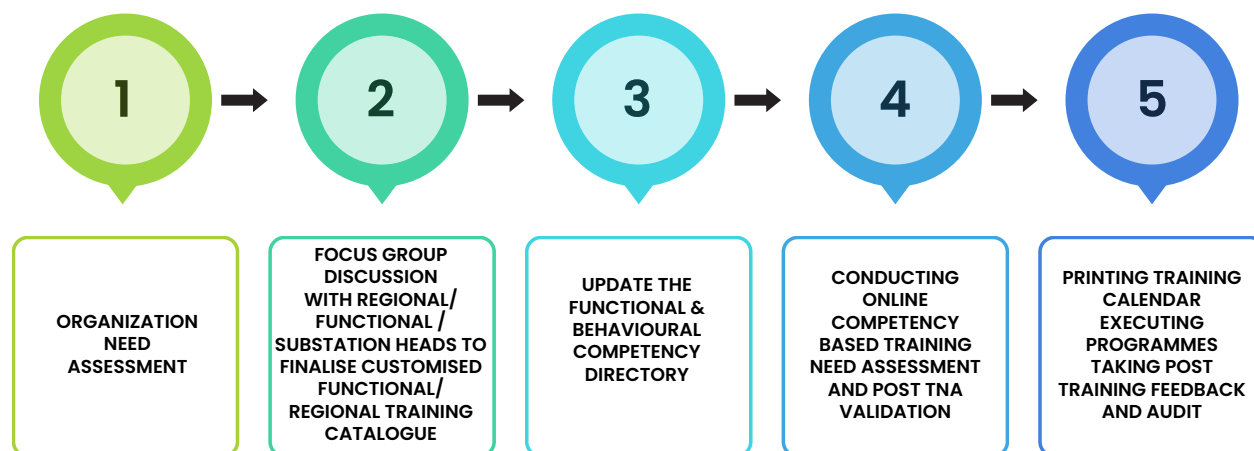
Developed **100+ e-Learning modules** related to different business verticals and **9 refresher courses** related to various company domains benefiting around **7450 employees**.

Benefitted more than 4000+ employees through **SANDARSHIKA**

350+ contract staff imparted training under **RPL (Recognition of Prior Learning) certification**.

950+ apprentices have been engaged in different trades as per the Apprentice Act.

FIVE STEP COMPETENCY BASED TRAINING NEED ASSESSMENT PROCESS



- Tie-ups with Ministry of IT & Electronics, GoI and IT Industry body NASSCOM for their FutureSkills PRIME portal which provides access to all employees in POWERGRID.

These initiatives are driven by a Human Resource Development Wing through a well-established need and skill gap assessment process - Competency Based Training Need Assessment Process. The process facilitates the identification of new competencies through need and skill gap assessment to tailor competency-based training programs for distinct employee groups.

CARING FOR OUR EMPLOYEES' HEALTH, SAFETY, AND WELLBEING

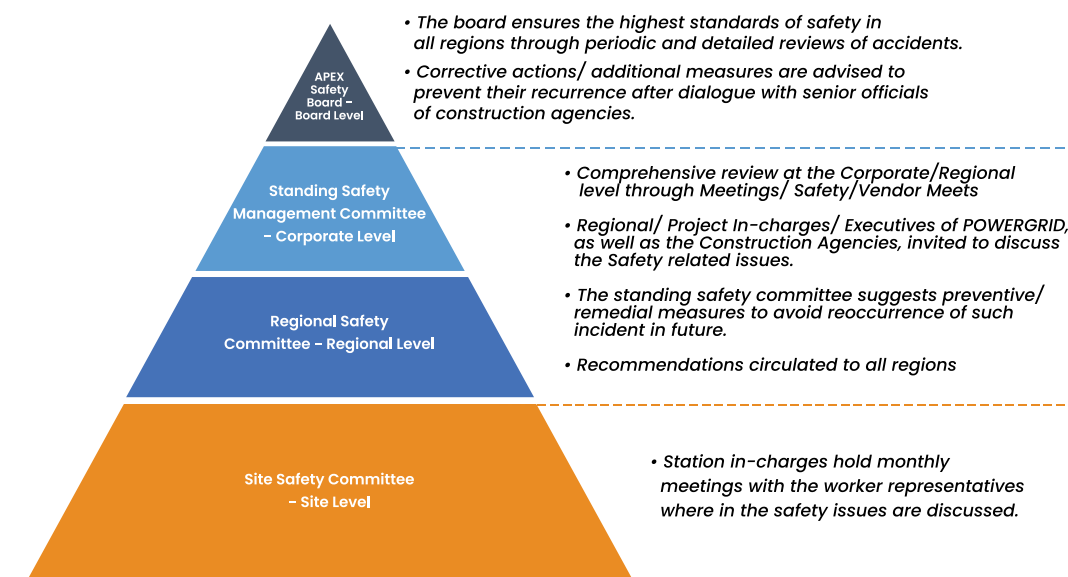
The health and safety of our employees is paramount to us at POWERGRID. Our commitment to the highest standards of health, safety, and security is reinforced through our mission statement. As an industry leader we aim to make continuous and concerted efforts to establish best in class practices that foster a safe and prosperous working environment for our employees.

EMPLOYEE SAFETY

Considering the nature of our operations POWERGRID is aware that our workers are more prone to the risk of fatal and non-fatal injuries associated with design, construction, operation, and maintenance of machinery and equipment of substations and transmission lines. In response, we have a stringent "Safety Policy" in place that outlines industry-

Our Three-tier Safety Model, governed by APEX Safety Board

Chaired by CMD, the board comprises functional directors as members



best safety practices and strict adherence to the same. We religiously comply with all the regulatory requirements pertaining to safety to ensure highest safety standards.

To fulfil our commitment of achieving zero accidents, a three-tier safety-model has been set-up to ensure organization-wide implementation of the Safety Policy. We, also have a safety cell in place that provides technical support to site offices for effective implementation.

Some of our latest initiatives to promote adherence to safety practices in the organization include :

- Promote a positive safety culture through effective communication, participation and consultation with employees and stake holders.
- Extension of POWERGRID Safety Rules & applicable laws to all contractors through Safety Pact. Quality assessment of health and safety conditions provided by the contractors to the workmen are conducted by respective Project Manager.
- Digitize safety operations for increased monitoring, preventive safety measures at sites.
- Imposition of compensation and penalty on contractors as deterrent measures to mitigate accidents.



POWERGRID is certified with ISO 45001:2018, Occupational Health & Safety Management System



- **Daily Briefing** by safety officer/ site supervisor before start of a shift starting, warning them against imminent dangers and suggesting precautions to be taken.
- **Trainings for workers** are conducted covering aspects such as safety in construction of line & substation, safety management in transmission system, safety practices in O&M of substation, rural electrification works and safety, stress and health management, fire safety, first aid etc.
- **Safety training to POWERGRID employees and contractor's employees** are imparted by safety officers and other external faculties to familiarize employees with aspects concerning safety. Safety demo is also organised at construction sites and transmission system under O&M.

EMPLOYEE WELLBEING

At POWERGRID, employee well-being is at the core of it's people culture. We are continuously working towards enhancing the physical, mental, economical and social well-being of our employees. To live up to our promise of building a harmonious work environment, we are doing our best to cater to multiple aspects of employee wellness.

100% of our employees and contractors' employees working on our site undergo job related safety training

Social wellbeing:

A healthy work-life balance is a key enabler of a healthy lifestyle. POWERGRID has introduced various initiatives for its employees that facilitates opportunities for them to re-energize and helps them fulfil their personal/social obligations. Some of these initiatives are:

- Special child-care leave to female employees and single male parents
- Paternity leave to all eligible male employees
- Sabbatical leave to fulfil other career aspirations or social/ familial obligations

During reporting period, 1227 mock drills, 272 substation/TL audit, 235 construction site inspections, 1207 safety-trainings to POWERGRID & AMC workers and 5374 safety trainings imparted to construction contract workers.

Physical and mental wellbeing:

POWERGRID has numerous wellbeing programs centred around either enhancing the physical and mental well-being of all the employees or equipping them to care for their own wellbeing. Some of these programs are:

- A comprehensive Medical coverage for employees and their dependents
- Post-Retirement medical benefits
- POWERGRID Employee Welfare Association (PEWA), Mahila Samitis in substation, Regional Headquarters and Corporate Centre.
- Cultural programmes, sports activities and recreational activities for promoting healthy community living
- Trainings and webinars to spread awareness regarding physical and mental health issues.

Economic Wellbeing:

We ensure that all our employees and workers are paid fair and equal wages and have access to superannuation benefits as per statutory requirements. We have also implemented various social security schemes going beyond statutory

100%

Re urn to work rate after paternity/maternity

requirements, such as the Group Insurance Scheme, Death Relief Scheme (employees' contributory scheme for providing financial aid to families of deceased employees), Economic Rehabilitation Scheme (company provided monthly financial aid to families of deceased employees), SAKSHAM scheme (monetary assistance for education of children of deceased employees, and generating income potential within the bereaved family).

Celebrating Diversity through Equity and Inclusion of all

POWERGRID encourages a diverse workplace that demonstrates new perspectives, more innovation, diverse voices and uniqueness. We aim to cultivate a culture where every employee at any level feels respected, heard, included, encouraged and enjoys equal opportunity to demonstrate their talent and advance their careers.

Equity and Inclusivity is inherent across our employee practices i.e. hiring, fixing compensations, performance appraisals, career advancement, learning and skill development, etc. We have zero tolerance for discrimination of any kind – gender, age, religion, caste, colour, ethnic background, physical abilities etc.

We ensure representation of individuals belonging to different communities, States/ UTs, religions, genders, castes, physical ability etc. by providing equal opportunity in our recruitment process through open advertisement. Further, we also notify Regional vacancies in local employment exchanges. Our efforts have resulted in a diverse workforce belonging to 27 States and 7 Union Territories across India.

We provide relaxations and concessions to individuals belonging to Scheduled Castes, Scheduled Tribes, Other Backward Classes, Persons with benchmark disabilities, Economically Weaker Section and Ex-Servicemen in our hiring/ promotion process.

In terms of gender diversity, we are taking special measures to enhance the representation of women in our workforce which include:

As a result of our efforts to make job offerings more attractive to women, the representation of women in POWERGRID has improved from **7.87%** in FY 2022 to **8.15 %** in FY 2023.



- Female representative in selection panels.
- Equal remuneration irrespective of gender.
- No discrimination in job assignments.
- Going above and beyond statutory provisions to provide 26 weeks maternity leave for commissioning mothers and adoptive mothers.
- Providing Child Care Leave (upto 02 years) for women employees and single male parents.
- A zero tolerance Prevention of Sexual Harassment Policy under which we set up an Internal Complaints Committee under the chairmanship of a woman executive
- Conducting seminars and training to educate women about their rights
- Wellness initiatives such as installation of sanitary pad dispensers in the washrooms, allotting designated parking space for expectant mothers, etc so that a congenial atmosphere can be created.

With the gradual enhancement in proportion of women opting for STEM (science, technology, engineering and mathematics) courses in India, POWERGRID is looking forward to incorporating and empowering more women in our workforce

RESPECTING HUMAN RIGHTS

Human Rights issues have been incorporated in all policies & practices of POWERGRID which extend to all of our permanent and contractual employees & relative aspects pertaining to Vendors/ Suppliers/ Contractors through contract provisions/ conditions.

POWERGRID has also been certified with Social Accountability standard SA 8000 by BSI since 2007 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. As per our Contract agreements, contractors are prohibited from subjecting their workers to forced or compulsory labour. All contractors are required to comply with various compensation and regulatory acts. All POWERGRID suppliers have to conform to General Conditions of Contract and SA 8000 clauses. POWERGRID takes declaration regarding Social Accountability from the bidders/ contractors for compliance of all requirements of Social Accountability Standards i.e. SA 8000, this declaration forms part of the contract documents.

POWERGRID has been recognized as one of the 'Best Organisations for Women-2023' by Economic Times.



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. To create awareness regarding female employees' rights, exclusive training/ workshop programs on law relating to sexual harassment, women empowerment, and development, including programs on gender sensitization are organized.

PARTICIPATIVE DECISION MAKING AND PROMPT GRIEVANCE REDRESSAL

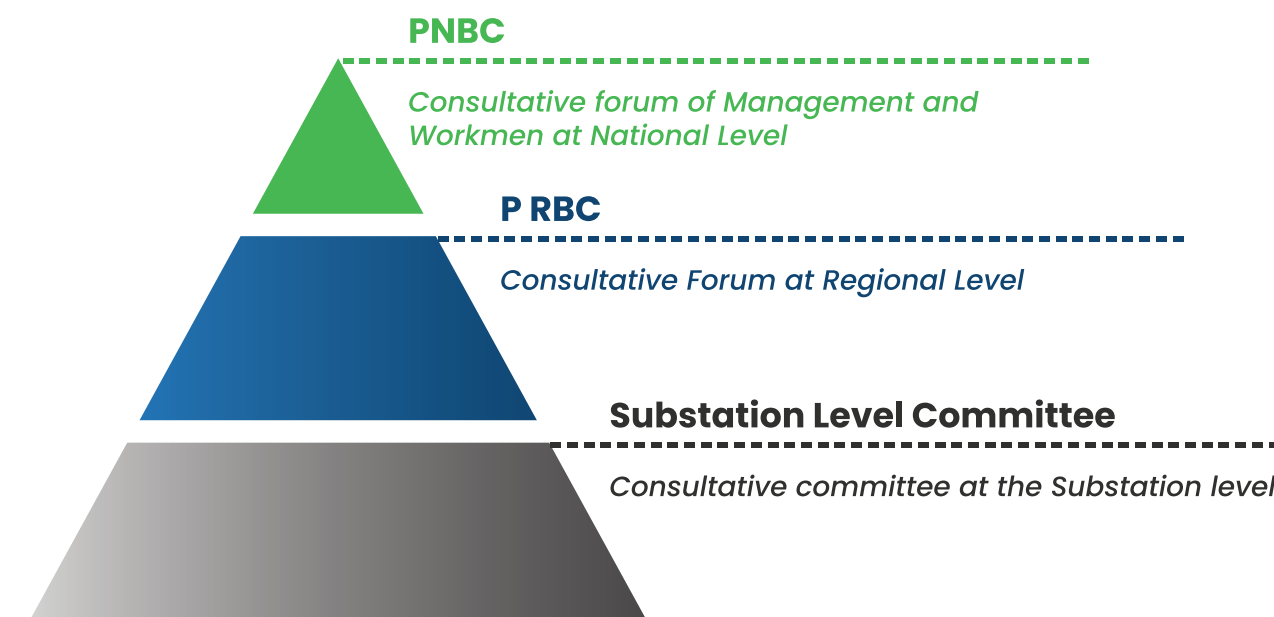
Participative Decision Making:

POWERGRID fosters a participative decision-making culture by way of joint consultative forums where management and worker representatives discuss on employee/ worker related issues and take proactive action through mutual agreement. We follow a 03-tier structure for our consultative forums.

Employee Grievances:

"Employee Grievance Portal" an online platform is available for employees to raise grievances. POWERGRID has a **3-tier structure which ensures quick resolution of grievance** which has led to increase in employee satisfaction and lower attrition rate. ICC (Internal Complaints Committee) 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.

POWERGRID has also **established a separate Reservation Cell** at both corporate, as well as regional



level to safeguard the legal provision for employees belonging to SC/ST/OBC/ and Persons with Disabilities (PwD) categories. This cell is under direct control of nominated liaison officer(s) to resolve any complaints of discrimination against employees belonging to

said categories. Regular meetings are held with the representatives of the above category to proactively resolve any issues.



SOCIAL & RELATIONSHIP CAPITAL



At POWERGRID, our commitment to building a sustainable future extends far beyond our operational boundaries. We firmly believe in making a genuine and lasting positive impact on society, empowering communities and fostering their well-being through our Corporate Social Responsibility (CSR) endeavors. Our purpose is not merely driven by financial success, but rather by the sincere desire to contribute meaningfully to the lives of people and the betterment of our planet.

Embodying the core principles of People, Planet and Profit, our foundation for social and environmental responsibility is firmly rooted in the 3 P's principle. We understand the vital importance of considering the welfare of individuals, the health of our planet, and the long-term sustainability of our actions. With this principle guiding our path, we have embarked on a transformative journey to uplift communities and enhance the quality of life across the nation.

Through a diverse range of social interventions, we have seamlessly integrated communities into our growth journey. Our commitment to community engagement is the driving force behind our efforts to create sustainable change. We firmly believe that businesses have a moral responsibility to go beyond their financial objectives and actively contribute to the betterment of society. As such, we have aligned our CSR initiatives with the United Nations Sustainable Development Goals (SDGs) and the developmental priorities set by the Indian Government.



With a PAN India presence, we have been able to reach and uplift the lives of the less fortunate, particularly in remote and far-flung areas. By focusing on holistic development, we aim to bridge social and economic gaps, promoting inclusivity and empowerment. From healthcare initiatives to educational support, from environmental conservation to skill development programs, our CSR initiatives touch upon a wide spectrum of areas to create meaningful and tangible changes in people's lives.

Our genuine concern for the well-being of society has motivated us to prioritize social conscience and embrace a sustainable approach to business. Our CSR efforts are not just a mere obligation but a heartfelt commitment to making a positive difference. We believe that through collective action and collaboration, we can pave the way for a brighter and more equitable future.

In essence, at POWERGRID, our dedication to social responsibility goes hand in hand with our vision for a sustainable and prosperous society. We strive



Inauguration of POWERGRID Vishram Sadan at Vadodara

to be agents of change, catalysts for progress and champions of a better tomorrow. By intertwining the threads of social welfare and environmental stewardship, we endeavor to weave a tapestry of hope, opportunity and lasting impact for generations to come

CSR weaved-in to the core of our strategy - Our consistent efforts to create sustainable value for the community

We work to strengthen underprivileged communities and keep them at the center of all our CSR initiatives. We use our corporate social responsibility programs to broaden the reach of social development projects focused on important thrust areas by keeping sustainable transformation as our main focus and adhering to the principles of Avoidance, Minimization, and Mitigation in dealing with environmental and social issues.

We have an established CSR committee comprising of Chairman and Managing Director, Director (Personnel) and three independent directors to carry out and monitor implementation of CSR initiatives and 8 CSR meeting are held in this reporting year.

Some of the landmark initiative, undertaken under different thematic areas are as follows:

- Construction of Vishram Sadan at DMCH, Darbhanga.
- Contribution to IIT Chennai for Merit-cum-Means (MCM) scholarship for B-Tech Students across IITs in India under CSR initiative of POWERGRID
- Providing financial assistance to National Foundation for Communal Harmony (NFCH) for education of 1600 violence affected students from Assam, Manipur and Chhattisgarh under CSR
- Construction of Researchers' Hostel at Jorhat Engineering College, Assam
- Provided 200 projectors to Ramakrishna Mission for Govt. schools in Rajasthan
- Development & Upgradation of Dichenling Crematorium Complex Gangtok
- Rejuvenation of Ponds at villages Daultabad

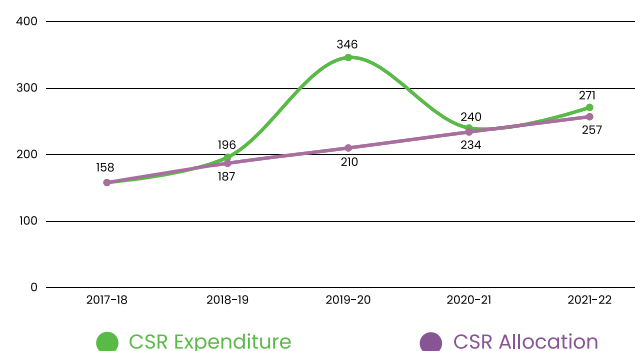
and Chandla Dunderwas, Gurugram

- State Level & National level painting competitions for promoting energy conservation
- Job oriented skill development training program for 160 youths in the field of Plastic engineering & Technology for under-privileged / unemployed youth, Murthal, Haryana
- Engagement of Apprentices

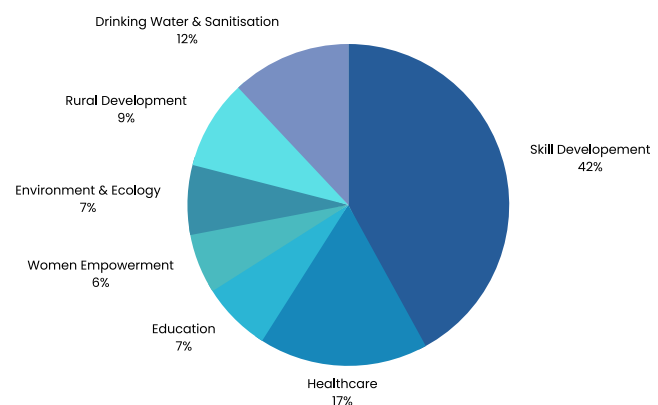
Tracking our social progress for FY 22-23

Total CSR amount spent	₹ 321.66 Cr
Total CSR fund allocated	₹ 311.97 Cr
No. of CSR projects completed	135
No. of CSR projects sanctioned	168

CSR Expenditure & Fund Allocation Trend for Last 5 years



Impact Area wise CSR Expenditure in major areas for FY 22-23



HEALTHCARE

For an individual, having access to primary healthcare is important. In keeping with SDG 4, which calls for "Providing inclusive and equitable quality education and promoting lifelong learning opportunities to all," POWERGRID aspires to improve the ability of local communities to take care of their own healthcare requirements and implement various healthcare initiatives.

POWERGRID's Vishram Sadan

- Providing waiting halls and accommodation for homeless and needy patients
- Some of the major locations of our established Vishram sadans are
- AIIMS, New Delhi,
- KGMU Lucknow
- NIMHANS, Bengaluru
- IGIMS Patna and many more

Support to people with disability

- We distributed medical devices like tricycle wheelchairs, walking sticks, brail kits in collaboration with Artificial Limbs Manufacturing Corporation of India Ltd (ALIMCO)

Tele-medicine facilities

- We also provided tele-medicine services in remote areas of Meghalaya through collaboration between the Centers of Ramakrishna Mission in Shillong and Sohra and NEIGRIHMS (North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences) Hospital, Shillong in domains like Neurology, Oncology, Dermatology etc.

Number of beneficiaries	134665433 (Approx.)
No. of districts covered	131
Total CSR fund allocated	₹ 14678.55 (Lakhs)
Total no. of projects undertaken	114 (Including PM CARES Contribution)

Other Key Initiatives

- Medical equipment and Instruments to the various Government Health facilities in the State of Sikkim
- Medical equipment to ESI Hospital Faridabad
- Establishment of 100 bedded Pediatric Intensive Care Unit (PICU) at GSVM Medical College, Kanpur UP
- "POWERGRID Vishram Sadan" in Guwahati Medical College & Hospital
- Medical Equipments / Instruments, required to establish an Emergency ICU set up in District Headquarter Hospital (DHH Koraput) at Jeypore (Odisha)
- Medical equipments and instruments at various Hospitals in Kalahandi District (Aspirational District), Odisha
- Providing Aids & Appliances to PWDs at Nalgonda in Telangana and East Godavari Districts in Andhra Pradesh
- Providing Ring Gantry Linear Accelerator for Radiotherapy Treatment at Regional Cancer Centre, Thiruvananthapuram, Kerala
- Supply of 5 Ambulances to 5 districts in Andhra Pradesh, namely Vizianagaram, Guntur, Kadapa, Chittoor and Prakasam
- MRI machine with installation accessories to Vivekanand Medical Institute, V.M.I., Palampur (a unit of Vivekanand Research Trust), Himachal Pradesh

Testimonial from Community Member

- Based on Independent Impact Assessment carried out by AMU for a CSR Project of supplying medical equipment to District Hospital Baghpat, POWERGRID has been awarded 21 points out of 25 based on OECD DAC Network on Development Evaluation (EvalNet) on following parameters i.e Relevance, Effectiveness, Efficiency, Impact, and Sustainability.
- Similarly for another project on the theme of healthcare i.e setting up of PSA Oxygen generation plant in Gurugram, the independent Impact Assessment evaluation was done by Centre of Community Medicine, JNU, New Delhi, POWERGRID has been awarded 22 points out of 25, for taking up such life saving CSR Projects.

Contribution to Higher Education

Contribution to IIT, Chennai for a Merit-Cum-Means (MCM) Scholarship for B-Tech students across IITs in India.

Number of beneficiaries	1008 (Approx.)
No. of districts covered	PAN India
Total CSR fund allocated	₹ 1797.60 (Lakhs)
Total no. of project undertaken	1



RURAL DEVELOPMENT

A majority of the Indian populace resides in rural regions. The advancement of villages plays a vital role in the welfare of the country. Improved conditions in rural areas will lead to greater social and economic parity and stability. Several interventions have been carried out in this regard by POWERGRID.

Number of beneficiaries	110103043 (Approx.)
No. of districts covered	45
Total CSR fund allocated	₹ 137.06 (Lakhs)
Total no. of project undertaken	54

Promoting Smart farming

Rural development is thought to have a significant impact on the country's growth. POWERGRID collaborated with and supported the **International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)**, an international organization for

science-led development of soil climate, integrated watershed, and crop management, in the creation of a scalable learning site for rural development in 10 villages in the Jaipatna block of Odisha's Kalahandi district. Integrated watershed management covering approximately 2500 ha has been implemented to increase farm productivity and thereby enhance village livelihoods. A similar intervention was previously carried out in Kurnool (Andhra Pradesh) and Kudgi (Karnataka), both of which received positive feedback at various forums.

Initiatives around domains of rainwater harvesting, safe drinking water, sanitation and toilets for schools, improvement of agriculture productivity and livelihoods of small and marginal farmers, rural school renovations, community development have been carried out for the upliftment of the rural & tribal folks across the country.

Many other initiatives around areas of safe drinking water, sanitation and toilets for school, livelihoods of small and marginal farmers and rural school renovation have been carried out by us for the upliftment of the rural & tribal folks across the country.



Other key initiatives

- Construction of Stadium at Village Barikhurd Babupur, Tehsil Raghuraj Nagar, District Satna (M.P.)
- Rural Development in Bhojpur District of Bihar
- Construction of park at East Champaran, Bihar
- Construction of 2.2 KM road at Kaimur (Bhabua) District.
- Construction of 06 Nos. of community toilet complex at Karakat Constituency, Rohtas.
- Rest Shed, approach road, Bio-Toilet, tractor, Steel Water Tank etc. in Paschim Medinipur
- Re-excavation/dredging of Baksha Khal (Canal) and associated culverts at Birohi I Gram Panchayat of Haringhata Block, Nadia District
- Repairing of Taoru Road at village Panchgaon, Tehsil: - Manesar, Gurugram (Haryana)
- CSR works under "SWACCHA & DIVYA KURUKSHETRA" at Kurukshetra, Haryana



WOMEN EMPOWERMENT

Empowering women is essential to the health and social development of families, communities and country. The women empowerment mission encourages women to be self-reliant and gives them freedom of choice. POWERGRID has undertaken some of notable initiatives that are helping women from rural India in realizing their potential.

Number of beneficiaries	6,000 (Approx.)
No. of districts covered	1
Total CSR fund allocated	₹ 189.89 (Lakhs)
Total no. of project undertaken	1

POWERGRID has launched several notable initiatives to assist rural Indian women in realizing their full potential. Women have been provided job opportunities by training them in the production of sanitary napkins, tailoring and stitching. 100 high-tech sewing machines and 5 semi-automatic sanitary napkin manufacturing machines were provided to Self Help Groups (SHGs) in Madhya Pradesh's Damoh district. In addition to sewing machines, tailoring classes were also provided. This venture provided women with important sewing skills, allowing them to work from home and support their families while also developing entrepreneurial skills. Training centers have been established in a number of locations, including Mangaon in Uttarakhand and Gurugram in Haryana. POWERGRID built a working women's hostel in Haryana's Nuh district to encourage young women to succeed.

Other Key initiatives

- Furniture for Working Women Hostel, Mewat
- Distribution of 19 Nos. Sewing Machine and imparting Six Months Training Program in tailoring for girls and women of Gram Panchayat Mangaon near Koteswar
- Distribution of 600 Nos. Stainless Steel Cookware Set under CSR to persons belonging to socio-economic deprived section of the society working/residing in and around Sec-43, Sec-46, Gurugram.
- Development of Playground with all necessary facilities at K.B. Women's Govt. College, Hazaribagh, Jharkhand.



SKILL DEVELOPMENT

We believe in upskilling today's community and youth and assisting them in achieving their goals. The main goal is to train and empower young men and women to be meaningfully employed or generate income through small entrepreneurship, thereby improving the economic status of their families. In order to improve the economic situation of the underprivileged, POWERGRID promotes livelihood and employment-oriented entrepreneurship, as well as Skill Development Training Programs.



Number of beneficiaries	10,255 (Approx.)
No. of districts covered	PAN India
Total CSR fund allocated	₹ 1400.00 (Lakhs)
Total no. of project undertaken	5

POWERGRID has assisted in the training of unemployed, unskilled youth from economically disadvantaged communities, particularly rural communities, through partnerships with organizations such as the National Skill Development Corporation (NSDC), the National Academy of Construction (NAC), the Central Institute of Plastic Engineering and Technology (CIPET), the Indo-German Institute of Advanced Technology (IGIAT), NEITCO, and CEDMAP, as well as other professional organizations. These youths are trained in a variety of skills, including gearbox line construction, steel fabrication, electrical wiring, plastic engineering, auto repair, LMV driving, garment manufacturing, handloom weaving, mobile repairing, tailoring, fashion designing and beauty care.

Other key initiatives

- Organizing job oriented skill development training program for 160 youths in the field of Plastic engineering & Technology for under-privileged / unemployed youth at CIPET, Murthal, Sonapat, Haryana
- Engagement of Apprentices across various POWERGRID establishments in India
- Based on Independent Impact Assessment carried out by University of Delhi for a CSR Impact Assessment of the Apprenticeship Program of POWERGRID Under CSR - FY 2020-21, the project has been evaluated on a scale of 0 to 5 on OECD DAC Network, the project has been awarded 21.5 marks out of 25.





ENVIRONMENT AND ECOLOGY

We believe that we are responsible for the impact of our operations on the natural environment. Driving growth in harmony with the environment will help us sustain in the long run.

Number of beneficiaries	1,47,42,054 (Approx.)
No. of districts covered	21
Total CSR fund allocated	₹ 198.66 (Lakhs)
Total no. of project undertaken	17

POWERGRID is taking proactive steps to show its concern for the environment and to manage the criticality of climate change. Tree plantation drives have been taken up in Chhattisgarh's Naya Raipur and Hariyar, as well as in Auraiya. In Kokrajhar and Gurgaon, 50,000 saplings and 1000 trees were planted, respectively.

We believe that a rapid transition from fossil fuels to a new era of green, clean, and renewable energy is critical in order to limit the impact of climate change. In this regard, POWERGRID has installed solar lights in various Indian states. A total of 3439 solar lights have been installed in Balia, Mau, Bhadoi, Lucknow, Varanasi, remote locations in Himachal Pradesh, and other locations.



Other key initiatives

- Beautification and Cleanliness of 8 no. Chatt Ghats in Bhojpur District
- Boulder rivetment on right bank of Mahananda River, Kishanganj
- "Sialbu Community Fruit Trees Garden construction of one garden cottage"
- Automatic PET bottle flaking and reverse vending machine to Vijayawada Municipal Corporation, Vijaywada, Andhra Pradesh
- Construction of 1 No. of Water Reservoirs at Kalinamei Village, Senapati District, Manipur
- Conducting State Level & National level painting competition for promoting energy conservation for national level painting competition for category - A&B

EDUCATION

POWERGRID believes that education is the stepping-stone towards living a life of dignity, particularly for the underprivileged and the vulnerable.

Number of beneficiaries	4,03,08,954 (Approx.)
No. of districts covered	90
Total CSR fund allocated	₹ 996.37 (Lakhs)
Total no. of project undertaken	73

Upgrading to Smart Classrooms

POWERGRID upgraded the existing classrooms to smart classrooms of Munderi government higher secondary school in Kannur district of Kerala with 1000 economically and socially backward communities' students, by carrying out renovation, providing new furniture and installing smart learning systems.

Protecting and helping children facing violence

We, in collaboration with National Foundation for Communal Harmony (NFCH) provide financial assistance under the scheme "Assist," to promote communal harmony while also providing support for physical rehabilitation of children who have been the victims of communal, caste, ethnic, or terrorist violence. Special attention is paid to their care, education, and training.



Other key initiatives

- Comprehensive CSR activities in Ranchi District of Jharkhand (Aspirational District). Installation & commissioning of 50 no. RO water Plant with cooler.
- Construction of classrooms, toilets and supply of study desks at Govt. Schools, Kota
- Establishment of POWERGRID Gyan Kendra (PGK) and furnishing the existing infrastructure at "Hardayal Municipal Heritage Public Library"
- Providing 200 projectors to Rmakrishna Mission for Govt. schools in Rajasthan
- Construction of 16 no. Double storey class rooms and providing benches for Govt Senior Secondary Girl School, Moga (Punjab)
- Construction of Tribal Hostel in Balrampur
- Proposal for Construction of Researchers' Hostel at Jorhat Engineering College, Assam
- Construction of 6 number of Classroom at Dhanora village, Parli
- Construction of Schedule Caste Senior Girls Hostel (50 seater) at Tehsil Sarai in Singrauli District

Based on Independent Impact Assessment carried out by University of Delhi for a CSR Impact Assessment of the installation and operationalization of smart class set-ups in government schools of Haryana of powergrid Under CSR - FY 2020-21, the project has been evaluated on a scale of 0 to 5 on OECD DAC Network, the project has been awarded 21 marks out of 25.



DRINKING WATER AND SANITATION

Having clean water and sanitation means being able to avoid exposure to countless diseases. This is not only a prerequisite to health, but also contributes to livelihoods, school attendance and helps to create resilient communities living in healthy environments.

Number of beneficiaries	93,26,759 (Approx.)
No. of districts covered	68
Total CSR fund allocated	₹ 305.97 (Lakhs)
Total no. of project undertaken	56

Building toilet blocks

Open defecation is a major public health risk, particularly for children, who are at risk of catching potentially fatal diseases such as diarrhoea. POWERGRID has constructed toilet blocks under the initiatives of Swachh Bharat Abhiyaan.

Providing street cleaning facilities and carrying out public awareness activities on sanitation

Under the awareness drive of Swachhta Pakhwada, POWERGRID carried out various activities like demonstration of cleaning activities, video telecast,

Nukkad Nataks, rallies etc. for making people aware. We also provided vacuum cleaning trucks to Municipal Corporations for Mechanized Street Sanitation.

Providing hygienic drinking water facilities- Hand pumps have been installed in different districts, drinking water filter facility has been provided as part of providing clean water to the community.

Other key initiatives

- Construction of water tank for drinking water at Phalodi, Jodhpur
- Supply and installation of 30 nos. submersible pumps along with water tank in Etawah District, Uttar Pradesh
- Procurement of two nos. 120 Ltr. Capacity Water cooler with UV Purification system for Kendriya Vidyalaya, INS Mandovi, Goa
- Construction of GUL (Pond-Waterbody) for Fafran/Sauntiyal village Koteshwar, Uttarakhand
- Observance of "Swachhata Pakhwada, 2022"
- Observance of "Swachhata Action Plan" for FY 2022-23
- Construction of 26 nos. toilets at various Govt. Schools in Nirjuli, District Itanagar, Arunachal Pradesh as a part of Swachh



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2-14 Role of the highest governance body in sustainability reporting	40
2-15 Conflicts of interest	58
2-16 Communication of critical concerns	We maintain a constant and proactive engagement with our key stakeholders. This enables us to communicate our strategy and performance. We practice a 2-way dialogue and continuous communication to align expectations. The board is regularly updated on various developments and feedback on the same is sought from them.
2-17 Collective knowledge of the highest governance body	54-56
2-18 Evaluation of the performance of the highest governance body	Done as per Government of India's Directive
2-19 Remuneration policies	https://www.powergrid.in/sites/default/files/investor_Relation/Reports_Filings/Code_of_Conduct_Policies/04_Remuneration%20Policy.pdf
2-20 Process to determine remuneration	https://www.powergrid.in/sites/default/files/investor_Relation/Reports_Filings/Code_of_Conduct_Policies/04_Remuneration%20Policy.pdf
2-22 Statement on sustainable development strategy	200
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2-24 Embedding policy commitments	https://www.powergrid.in/policies
2-25 Processes to remediate negative impacts	https://www.powergrid.in/public-complaints-0 https://pms.powergrid.in/vms/manual/grievance.pdf https://tejas.powergrid.in/vigilance-complaints/
2-26 Mechanisms for seeking advice and raising concerns	211-212
2-27 Compliance with laws and regulations	https://pgportal.gov.in/
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STATUTORY REPORTS 2022-23

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure in presenting the 34th Annual Report on the performance of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2023.

Key Performance highlights of your Company during FY 2022-23 are briefly mentioned here:

- Rated "Excellent" with a score of 95.96 in Memorandum of Understanding (MoU) signed with Government of India for FY 2021-22.
- On a standalone basis, the Company's Total Income at ₹45,968.07 crore, increased by 8.58% and Profit after Tax (PAT) at ₹15,333.02 crore, increased by 11.16% (Excluding Exceptional Item), as compared to previous year.
- Achieved system availability of 99.82%. The trippings per line decreased to 0.27, lowest in last five years.
- Charging of 2,972 circuit km (ckm) of Extra High Voltage (EHV) transmission lines, 28,990 Mega Volt Ampere (MVA) transformation capacity and 9 new Substations (including subsidiaries).
- Assets of ₹7,413 Crore were capitalized.
- For ensuring effective communication of the existing as well as new substations with Regional Load Despatch Centres (RLDCs) /State Load Despatch Centers (SLDCs), 6,600 km of Optical Ground Wire (OPGW) network was added.
- Achieved collection efficiency of 98.84% of billing in FY 2022-23.
- Emerging successful in 11 TBCB projects
- Rated as best utility in Transformer Maintenance and 3rd best utility in Vegetation Management in International Transmission Operation and Maintenance Study (ITOMS) for 2021-22.



Foundation Laying of Augmentation of POWERGRID Ara Substation

1. Financial Performance

Financial Performance during year under review (FY 2022-23) as compared to the previous year (FY 2021-22) on standalone basis is summarized below:

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

S. No.	Parameters	2022-23		2021-22		Y-o-Y Growth (%)
		₹ (Crore)	US \$ (Million)	₹ (Crore)	US \$ (Million)	
1	Revenue					
	Transmission Charges	42104.78	5088.81	38599.71	4665.18	9.08
	Consultancy-Sale of Services	509.29	61.55	753.34	91.05	-32.40
	Telecom	728.98	88.10	580.34	70.14	25.61
2	Other Income	2625.02	317.26	2402.48	290.36	9.26
3	Total Income	45968.07	5555.72	42335.87	5116.73	8.58
4	Profit After Tax (PAT)	15333.02	1,853.16	17093.76	2,065.96	11.16**
5	Earnings per Share (EPS) (₹)	₹ 21.98	US \$ 0.27	₹ 19.79**	US \$ 0.24	11.07
6	Book Value per Share (₹)	₹ 118.75	US \$ 1.44	₹ 109.17	US \$ 1.32	8.78
7	Gross Fixed Assets	255823.80	30919.00	249953.70	30209.54	2.35
8	Long term borrowing*	125894.90	15215.72	129365.27	15635.15	-2.68
9	Net Worth	82832.96	10,011.24	76151.57	9,203.72	8.77
10	Debt Equity Ratio	60:40		63:37		
11	Return on Net Worth	18.51%		18.11%**		

* Including current maturities of Long-Term Borrowings

** Excluding Exceptional Item

Convenience Conversion at US \$ 1= ₹82.74 as on 31.03.2023

1.1. Dividend Payout

The Company recommended / declared dividend as follows: -

Dividend (per share)	FY 2022-23		FY 2021-22	
	in ₹	in %	in ₹	in %
First Interim Dividend	5.00	50.00	7.00*	70.00
Second Interim Dividend	5.00	50.00	5.50	55.00
Final Dividend	4.75^	47.50^	2.25	22.50
Total Dividend	14.75	147.50	14.75	147.50

* Including a Special Dividend of ₹3.00 per share

^ Recommended for approval of Shareholders

The total dividend payout for the year amounts to ₹10,289 crore (including interim dividends of ₹6,975 crore). The final dividend shall be paid after approval at the Annual General Meeting. The total payout ratio for the year was 67% as compared to 60% for previous year.

1.2. Transfer to Reserves

For FY 2022-23, appropriation of profit has been made as follows:

- General Reserve: ₹8,000.00 crore
- Self-Insurance Reserve: ₹299.42 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. Tariff Based Competitive Bidding (TBCB)

During the year under review, your Company emerged as successful bidder in eleven Inter-State Transmission System Projects under TBCB route. The SPVs to implement these projects were also acquired by your Company in FY 2022-23. Besides, two SPVs to implement one inter-state and one intra-state Transmission System projects namely, Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-G and Transmission System for Mohanlalganj (Lucknow) with associated 400kV lines, LILOs at Rampur & Sector 123 Noida respectively in which your Company had emerged successful in





FY 2021-22, were also acquired by your Company in FY 2022-23. The aggregate annual levelized tariff of these projects is about ₹1,200 crore.

As on 31st March 2023, 13 TBCB subsidiaries were fully operational while 2 TBCB subsidiaries were partly operational with total TBCB transmission assets comprising 83 transmission lines with 7354 ckm & 13 Substations with aggregate transformation capacity of 30,175 MVA. At the end of FY 2022-23, the Company owned 33 TBCB subsidiaries, the details of which are provided in the Management Discussion & Analysis Report (MD&A).

2.2. Monetization of Transmission Assets through Securitization

In Union Budget 2021-22, Monetization of Assets has been identified as one of the three pillars for enhanced and sustainable infrastructure financing in the country. Based on the mandate for 'Asset Monetisation' in the Union Budget, Niti Aayog prepared "National Monetization Pipeline" (NMP) with year wise targets. The framework for monetization of core asset as per the NMP has three key imperatives:

- Monetization of 'Rights' not 'Ownership', Assets handed back to the government at the end of transaction life.
- Brownfield de-risked assets, stable revenue streams.
- Structured partnerships under defined contractual frameworks with strict KPIs & performance standards.

During FY 2022-23, considering the above, POWERGRID monetized the cashflow of its three operational TBCB SPVs through securitization route by private placement of bonds and raised ₹3,412 crore in three tranches against monetization target of ₹3,000 crore.

3. Operational Performance

3.1. Asset Management

As on 31st March, 2023, your Company's total transmission assets including those owned through its wholly owned subsidiaries consisted of 1,459 transmission lines aggregating to 1,74,113 ckm., 272 substations with an aggregate transformation capacity of 4,99,362 MVA.

Keeping in view the growing asset base, your Company is migrating towards digitization of asset management. Some of the initiatives and developments in this direction are as follows:

- Remote operation of the +/- 500 kV, 1500MW HVDC Rihand -Dadri Bi-Pole Terminals and 500MW Vindhyachal HVDC back to back from National Transmission Asset Management Centre (NTAMC) Manesar. This is first time in India that a HVDC Sub-station is being operated from a remote control centre. This innovation enhances efficiency, reduces cost and presents a promising future for the industry.
- In-house development of a AI/ ML based defect identification tool POWERGRID Asset Management though Artificial Intelligence in Transmission (PG AMRIT) which has been integrated with transmission line patrolling platform POWERGRID Digital Application for Routine Patrolling & Assessment of Network (PG-DARPAN). This has aided in optimizing the efforts of line maintenance manpower and move the focus from defect identification to defect rectification.

- Implementation of Asset Management Dashboard (UDAAN-Unique Digital Analysis of Asset and Network) to ensure a single window access to all the key performance indicators (KPIs) by integrating data stored in various formats. This has enabled management to have a bird's eye geospatial view of the asset management system across the organization.
- Commissioned a Green field fully digital 220/66kV GIS Substation at Chandigarh with IEC 61850 Process Bus based Protection Automation and Control system. It significantly reduces the use of cables in EHV Sub-station thus resulting in safer working environment and lower carbon footprint.
- Launch of In-house, Asset Health Indexing Software for Circuit Breakers which automatically fetches and evaluates the Circuit Breaker data from a centralized database and assigns health index to the equipment based on the extent of deterioration using POWERGRID's own interpretation technique. This will help in migration to Reliability Centered Maintenance of Transmission Assets.
- Organized a two-day International Conference, GRIDCON2023, on 16th & 17th February 2023. The theme of the conference was "Digitalization in Transmission Asset Management: Building Block for Future" and it covered global asset management practices. International experts & industry leaders from USA, Canada, South Africa, Scotland, Japan, Portugal & Germany shared knowledge pertaining to O&M of power transmission networks. It provided an excellent platform to enable sharing of knowledge and expertise in the transmission sector, and discussion that helped identify international best practices, innovative solutions and new opportunities for collaboration.



- Drone-based patrolling of transmission lines all across the Regions of POWERGRID.
- Methanol Marker Test Kit has been commissioned which shall be helpful in early detection of aging of transformer/reactors and take proactive action to redress the same. Your Company is one of the few utilities globally to establish alcoholic marker test facility.
- First 765 kV RIP bushing in India has been taken into service in Line Reactor at Satna, Western Region.
- In-house Repair of GIS Substation equipment have been carried out by the maintenance teams of your Company at 9 Substations which prevented long outages of system and resulted in considerable cost savings. One old AIS Substation in NER has been converted to GIS which will result in increased reliability of the system.



For many years, your Company has participated in the International Transmission Operation and Maintenance Study (ITOMS), a global Operations & Maintenance (O&M) benchmarking platform that includes 32 major power transmission utilities globally. Based on the report on ITOMS for 2021-22, published in February, 2023. Your Company has been ranked in first quadrant for both Line and Substation Maintenance reflecting asset maintenance being carried out at low cost with high performance levels.

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. The back-up of main control centre i.e. BNTAMC is located at Bengaluru (Karnataka). These state-of-the-art centres are manned round-the-clock by experts for effective monitoring and management of transmission assets. During FY 2022-23, ten Extra High Voltage (EHV) Substations were integrated with NTAMC for remote operation. By the end of FY 2022-23, a total of 271 Substations are being operated remotely from these asset management centres.

Central Government has declared Supervisory Control and Data Acquisition (SCADA) System installed at NTAMC & RTAMCs as Critical Information Infrastructure (CII) vide Gazette notification dated 13th December 2022.

3.3. Cyber Security

Cyber Security 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 239 substations are certified as per the Information Security Management System ISO:27001. The Company works closely with designated statutory bodies: Computer Emergency Response Team (CERT-In) and the National Critical Information Infrastructure Protection Center (NCIIPC). Your Company follows the recommendations issued by these agencies from time to time. Your Company conducts extensive training programs for employees and participated in programs and simulations organised by CERT-In and NCIIPC.

Your Company has set up a Cyber Security Operations Center for threat analysis and monitoring to strengthen resilience in its operations.

3.4. Safety

Your Company is certified with ISO 45001:2018, Occupational Health & Safety Management System which ensures a healthy work environment for employees by strict adherence to norms on Occupational Health & Safety at workplace.

The Company recognizes its responsibility for maintaining a safe working environment for all its employees including contract workers. Necessary steps are taken to ensure that all applicable safety factors are taken into account as per standards during the design, construction and operation & maintenance of assets.

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 272 substations and safety inspection at 235 construction sites were carried out in FY 2022-23.

Animated safety video films on "safety during transmission line maintenance work" have been developed for promoting safety awareness of the workers. Remote safety monitoring of construction sites on mobile apps connected through static camera were started on trial basis.

Safety trainings were organized on various safety aspects such as job specific training, fire safety, stress



& health management and first aid etc. at various sites. 1207 safety training sessions were organized for Company employees and 5374 safety training sessions were conducted for construction agency workers/ staff. 1227 mock-drills were organized at sites for preparedness to cope up with any untoward incident/ urgency/emergency.

National Safety Day/week in March, National fire safety day/week in April, National electrical day/week in June are celebrated every year involving employees, their family members and contractual workers helping in creating awareness towards adherence to safety at work place and home.

All the dangerous occurrences were reviewed by Standing Safety Management Committee and POWERGRID Apex Safety Board in association with all Heads of Regions and Board level representatives of construction Agencies. Recommendations of Accident Enquiry committees were widely circulated at all sites for implementation.

4. Project Implementation

During FY 2022-23, your Company added about 2,972 circuit kilometer (ckm) of Extra High Voltage (EHV) transmission lines, 28,990 Mega Volt Ampere (MVA) transformation capacity and 9 new Substations (including through its subsidiaries).

Further, about 6,600 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.

Major Transmission Assets Commissioned

- Reconfiguration of 765 kV D/C Bhuj PS – Lakadia PS line so as to establish 765 kV D/C Bhuj-II –Lakadia line as well as 765 kV D/C Bhuj-Bhuj-II line
- 400 kV D/C Jeerat (New) – Subhasgram (PM-JTL-TBCB) line
- 400 kV D/C Lower Subhansiri – Biswanath Chariyali line-I
- 400 kV D/C Simbhavali – Meerut line
- 220 kV D/C UT Chandigarh S/S – Panchkula (PG) S/S line
- 400 kV D/C Mohindergarh – Bhiwani line
- LILO of Kishanganj (POWERGRID) – Darbhanga (DMTCL) 400 kV D/C (Quad) line at Saharsa (New)
- 400 kV D/C Bina- Guna line
- LILO of both circuits of 400 kV D/C Dhauliganga – Bareilly (PG) line at Jauljivi

As on 31st March 2023, the inter-regional power transfer capacity of the transmission assets belonging to the Company and its subsidiaries was 97,290 MW (i.e. 86.67%) out of 1,12,250 MW inter-regional power transfer capacity of the national grid.

5. Capital Investment, Fund Mobilization & Investment Approvals

During FY 2022-23, your Company made a consolidated capital investment of ₹8,850 crore on cash basis. To finance this investment, the Company mobilized ₹2,120 crore from securitization, ₹4,488 crore through bonds & term loans and ₹2,242 crore from Internal accruals & others.

During FY 2022-23, investment approvals for transmission projects with an estimated cost of ₹22,250 crore were accorded.

6. 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 Govt. 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. 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 98.84% of billing in FY 2022-23.

7. Other Businesses

7.1. Telecom Business

a) POWERTEL

The 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 network under the brand name 'POWERTEL'. Revenue from Telecom Business was ₹729 crore during FY 2022-23.

During FY 2022-23, the Company's telecom network coverage increased to 82,294 km from 74,109 km at the end of previous year and the telecom backbone availability for the year was 99.99%. The Company's telecom network is present in more than 3000 locations covering all major cities /towns and metros in India.

Your Company has signed Agreements with Damodar Valley Corporation (DVC), Manipur State Power Company Ltd. (MSPCL), J&K Power Development Corp. Ltd. (JKPDCL), Power Transmission Corp. of Uttarakhand Ltd. (PTCUL), Goa Electricity Department (GED), Uttar Pradesh Power Transmission Corp. Ltd. (UPPTCL) and Rajasthan Vidyut Prasaran Nigam Ltd. (RVPNL) for leasing of their OPGW fibres (approx. 19,000 km). Utilisation of these OPGW fibres will enable Company to expand its telecom network in various cities for new business opportunities.

POWERGRID Teleservices Limited (PTL), the wholly owned subsidiary of your Company has been incorporated to undertake Telecommunications and Digital Technology business. PTL has obtained the Unified License with service authorization of National Long Distance (NLD), Internet Service Provider (ISP-A) & International Long Distance (ILD). The business transfer agreement to hive off the Telecom business into PTL has been executed and the transfer is to take effect in this financial year.

Your Company's Board approved expansion of POWERGRID Telecom into Data Center Business and to establish the Pilot Data Center at Manesar. The Central Electricity Regulatory Commission (CERC) has given permission on 30th November, 2022 to set-up the Data Centre at Manesar through POWERGRID Teleservices Limited. Further, POWERGRID is also planning to set-up a 500 Rack Disaster Recovery (DR) Data Centre at Bengaluru. The DR centre at Bengaluru will serve as a back-up for the Data Centre at Manesar and also as a main Data Centre for nearby customers. In this regard, Petition has been filed before CERC requesting permission for establishment of DR Data Centre at Bengaluru and Data Centre(s) at 15 Nos. other substations across the country.

POWERGRID Teleservices Limited is also planning to provide International Long Distance (ILD) connectivity. The provisional permissions for setting-up ILD-Gateways has been received from DoT.

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 Govt. of India for Digital India.

The scope of work is spread across 39 districts in 5 States viz., Andhra Pradesh, Telangana, Himachal Pradesh, Jharkhand & Odisha. The Company has completed the work for all 511 Blocks and successfully handed over to M/s BBNL.

7.2. 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 in India and worldwide. During the year, your Company achieved revenue from operations of ₹509 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 consultancy services to Indian Railway for electrification of un-electrified railways tracks in Central, East Central, South-Western & South-East-Central Railway zones.

Your Company is currently executing about 80 consultancy assignments in various fields including transmission & sub transmission, design & engineering, EV charging, Renewable, Smart Metering, etc. During the year, your Company bagged 54 new consultancy assignments.

Some of the major consultancy assignments include:

- Agreement signed with Jammu Power Distribution Corporation Limited (JPDCL) and Kashmir Power Distribution Corporation Limited (KPDCL) for loss reduction initiatives under Revamped Distribution Sector Scheme (RDSS).
- MOU signed with Greenko Energies Pvt. Ltd. for implementation of transmission system associated with RE generation.
- MOUs signed with Madhya Pradesh Power Transmission Company Limited (MPPTCL) and Odisha Power Transmission Corporation Limited (OPTCL) for Substations Automation/ establishment of State Transmission Asset Management System (STAMS).
- Consultancy services to NHIDCL for Construction of 2x25MVA, 66/11 kV, substation at Zojila east portal location and 66 kV D/C line from 220/66 kV Drass substation to 66/11 kV Zojila east portal location substation along with 66 kV underground cable work in the union territory of Ladakh.
- Consultancy services to NHIDCL for Construction of 50MVA 220/33KV Nilgrar Substation and LILO of one circuit of SLTS at Nilgrar at West Portal location, UT of J&K.
- Consultancy services to CVPPL for Laying of 400 kV Dedicated Transmission Line from Pothead Yards of 1000 MW Pakal Dul HE Project, 624 MW Kiru HE Project & 540 MW Kwar HE Project to proposed Pooling Station in Kishtwar, UT of J&K.

b) International Market

On the International front, as on 31st March, 2023, your Company has its footprint in 23 countries. During the FY 2022-23, Your Company has received orders worth ₹ 52 crores from Uganda, Nepal, and Ethiopia. The Company is providing consultancy to various clients in Nepal, Uganda, Fiji, and Moldova.

8. International Projects

A Privately Initiated Proposal (PIP) for development of transmission project in Kenya submitted by your company in Joint Venture with Africa-50 has been approved by PPP Directorate, Govt. of Kenya, to proceed into Project Development Phase in line with Public Private Partnership (PPP) Law of Kenya. The estimated cost of the Project is USD 300 Million. Your Company is exploring suitable opportunities to replicate the similar model in other African countries.

9. Cross Border Interconnections

Your Company has established a Joint Venture Company viz. Butwal-Gorakhpur Cross Border Power Transmission Limited (BGCBPTL) with equity participation of 50:50 with Nepal Electricity Authority (NEA) for Implementation of Indian Portion of New Butwal – Gorakhpur 400 kV Double Circuit (Quad Moose) Cross-border Transmission Line.

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).

Re-certification of Integrated Management system Certification (IMS) covering requirement of ISO 9001 (Quality

Management System), ISO 14001 (Environment Management System) and ISO 45001 (Occupational health and Safety Management System) was carried out successfully for three years without any non-conformity. Further, re-certification of Energy Management System ISO 50001 for Corporate Office building and NTAMC Building received for a period of three years without any non-conformity.

Other initiatives taken in the field of quality management are as follows:

Digital initiative

Manufacturer Unit Approval Portal: Your Company has launched a new online portal for approval of new manufacturing units, extension of approval of existing units and renewal of their manufacturing quality plan. With the launch of the portal, the complete process from approval to material dispatch has become paperless. The manufacturers can now upload their documents and check the real time status of their application for approval.

Initiative towards smart inspection

Grading of Manufacturer: Grading of vendors, based on process audit and past performance with goal for almost zero inspection for Grade A vendors, has been initiated for transformer radiators as a pilot project. Standardization of documents viz MQP / FAT Checklist for level II item/ process audit checklist, has been carried out to bring uniformity, consistency and transparency in the inspection process.

11. Research and Development

Your Company has been granted two patents by the Patent Office, Government of India.

- Patent (No. 418166) for an invention entitled 'ENERGY EFFICIENT ALL-SEASON ROOF SCREENING'. This roof coating /screening technique offers energy efficiency round the year without compromising the comfort level. Also, the invented screening process takes care of reflection issue on nearby buildings, dust settlement and expense towards deployment.
- Patent (No. 411380) for an invention entitled 'SMART SOCKET AND SMART HOME ENERGY MANAGER' which has been developed in collaboration with IIT Kharagpur. This smart socket along with home energy manager application can be used to manage household appliances efficiently to achieve optimum energy consumption and reduce the electricity bill.

This recognition is a testament to the innovative spirit and unwavering commitment of your Company towards advancing the indigenous technology.

In pursuit of cutting-edge innovation and advancement in the field of substation aerial inspection, development of programmable drone with specialized sensors (Thermal & Video) for substation aerial inspection including AI/ML based analytics capable of operating in diverse topographies has been taken up as a first of its kind in India. This integrated solution represents a significant step forward in enhancing efficiency, accuracy and safety of substation aerial inspections, and heralds a new era of data-driven decision-making.

Company is in the process of obtaining UCAIug Accreditation of Protection Automation and Control laboratory at POWERGRID Advanced Research and Technology Centre for testing and certifying IEC 61850 compliant equipment.



Your Company executives have published 14 technical papers at the CIGRE Session 2022 held in Paris on new technology / case studies, which were highly acclaimed by the industry / academia / experts.

12. Participation in GoI Initiatives

12.1. 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 also been nudged to set-up facilities in India and thus promoting the Make in India initiative of the Government. 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. This is evident from the fact that during FY 2022-23, total awards amounting to about ₹ 13,740 crore (124 nos. of Contracts) were placed on Indian vendors. Your Company is actively working on the development of its vendor base in the domestic market by encouraging participation of local suppliers and promoting capacity building for existing vendors.

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

In line with Government of India directives for promotion of MSMEs, the Company has been complying with the guidelines issued by the Government from time to time. The Company is registered on all the three(03) available Trade Receivable e-Discounting System (TReDS) platforms of (i) Receivable Exchange of India Limited (RXIL) (A NSE – SIDBI JV), (ii) Mynd Solutions Private Ltd (Mlxchange) and (iii) A TREDS Ltd. (Invoicemart). 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, for which detailed guidelines have been provided on Company's website www.powergrid.in.

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.

Your Company is actively developing and adding sub vendors, particularly in the MSME category. During FY 2022-23, 62 nos. of new vendors were added out of these 28 were MSE vendors.

In terms of the said policy, the total procurement from MSEs (including MSEs owned by SC/ST and Women entrepreneurs) by your Company was ₹ 1,243.54 crore which is 53.34% of the total eligible value of Annual procurement of goods produced and services rendered by MSEs.

Further, the total procurement from MSEs owned by SC/ST entrepreneurs is ₹ 48.76 Crore (2.09%) and from MSEs owned by Women Entrepreneurs is ₹ 71.27 Crore (3.06%) against the sub-targets of 4% and 3% annual procurement from MSEs owned by SC/ST and Women entrepreneurs respectively. As such, POWERGRID is meeting the sub-target as per Public Procurement Policy for MSEs Order 2012, and its Amendment dated: 09th November 2018, which, inter alia, directs that in event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 percent sub-target for procurement earmarked for Micro and Small Enterprises owned by Scheduled Caste or Scheduled Tribe entrepreneurs shall be met from other Micro and Small Enterprises.





Annual procurement plan for FY 2022-23 from MSEs is uploaded on www.powergrid.in.

The Company has taken various steps to encourage MSE participation in the procurement process across India. During this year, in order to encourage and develop Micro and Small manufacturers for supply of innovative & quality products, 20 nos. of Vendor Development Programs (VDPs) have been organized in various parts of the country out of which 09 nos. of VDPs were exclusively held for SC/ST and Women MSEs. In these MSE vendor development programs, various presentations were made and discussions were held with representatives of numerous Micro and Small Enterprises of our Country. Special focus was on Micro and Small Enterprises owned by SC/ ST and Women entrepreneurs. The response of Micro and Small Enterprises in these meetings was overwhelming. A number of Micro, Small & Medium Enterprises have been developed as sub-vendors and approved for supply of components for various equipment.

12.3. Procurement through Government e-Marketplace (GeM):

In line with GoI mandate, procurement of Goods & Services is being done through GeM portal. Procurement through GeM in POWERGRID started in FY 2018-19 and in subsequent years, with persistent emphasis, procurement through GeM has continuously increased. During FY 2022-23, procurement of ₹1404 crore of Goods & Services was from GeM portal which is about twice the procurement of last FY 2021-22 (₹ 706 crore).

Further, the percentage achievement for FY 2022-23 in respect of GeM procurement with respect to the Categories of Goods & Services that are available in GeM works out to 98.86%. It may also be mentioned that for the first time, the Mega Insurance Package for Insurance of the HVDC and Building Assets of POWERGRID valuing about ₹138 crores was successfully awarded through GeM after enabling of the feature by GeM. Further, the Scrap Disposal Package was also auctioned successfully for the first time through GeM during the year.

13. 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.

13.1. Environment and Social Management

Your company has been practicing the standards of sustainable development integrated in its corporate Environmental and Social Policy & Procedures (ESPP) since 1998, that lays down a detailed framework for identification, assessment and management for environmental and social concerns at organizational and project level based on the established principles of Avoidance, Minimization and Mitigation with provision of

restoration too. The comprehensive coverage and content of the ESPP can be judged by the fact that it has been accepted by two leading Multilateral Agencies of the world i.e. The World Bank and ADB under their Use of Country System (UCS) and Country Safeguard System (CSS) policy in 2009 and 2017 respectively.

On the environmental management front, your Company undertakes detailed Environmental & Social Assessment of new projects in line with the provisions of ESPP including alternative studies, development of Environment Management Plan (EMP) and public consultation, even though not mandated by the law of the land. Besides, your Company also leverages latest technology such as adoption of modern survey techniques to select most optimum line route to avoid ecological and social sensitive areas, use of innovative towers (multi circuit, compact, pole tower) in forest and habitation areas, and such initiatives not only helped in conservation of natural resources like forest and Right of Way (RoW) but also substantially reduced project's environmental and social footprints.

Management of land issues has become a key challenge in recent times and as such securing land for infrastructure projects is becoming increasingly challenging. In this regard, your Company endeavor to secure barren government land as first option has resulted in conservation of precious land resources as well as minimization of adverse social impacts. Further, decisions like securing land through consent of landowners at mutually agreed rate on "Willing Buyer Willing Seller" basis instead of using involuntary mode of land acquisition, have not only strengthened our standing among local community /affected population but also ensured hassle free securing of land.

Recognizing the changing business contours, your Company has been providing due importance to issues related to Environment, Social & Governance (ESG), Sustainability reporting and alignment of Business activities in line with United Nations Sustainable Development Goals (SDG) and Net Zero Commitments. It's a matter of great satisfaction that your Company has been continuously rated highly by several independent agencies both in the areas of ESG and Sustainability Reporting. However, your Company has planned to further improve its performance by setting up higher goals and scaling up sustainability efforts. Key initiatives taken in this direction are:

- Separate policies viz. ESG, Waste management and Water Management were developed and approved by the Board. These policies are linked with company's sustainability milestones like to achieve 50% of its electricity consumption from renewable sources by 2025 and become Net Zero by 2047, in line with Govt of India commitment towards climate change and net zero targets. Your Company has also committed to become a "Net Water Positive organization" and achieve "Zero Waste to Landfill status" by 2030.
- To reduce its carbon footprints, your Company has already taken various measures like installation of roof top solar PV on office buildings and Solar PV plants on vacant substation land, progressive replacement of diesel vehicle by e-vehicles, improving carbon sink through plantation etc.

13.2. "Mission LiFE" (Lifestyle For Environment)

Hon'ble Prime Minister introduced Mission LiFE to the world at the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow.



Block Mango Tree plantation

In line with Mission LIFE of Government of India, POWERGRID undertook major outreach and advocacy activities for mass mobilisation on mission LIFE (Lifestyle For Environment), from 11th May 2023 to 5th June 2023 which covered seven themes of Mission LIFE - (a) Save energy (b) Save water (c) Say no to single use of plastic (d) Adopt sustainable food systems. (e) Reduce waste (f) Adopt healthy life system. (g) Reduce e-waste. The programme concluded on 5th June (World Environment Day) by Mass Plantation Drive across POWERGRID establishments. Major outreach activities included banning of single-use plastic, theme-based pledges, competitions, cycle rally, save energy measures at offices, waste reduction, segregation and re-use, media & FM campaign, expert talks on themes etc.

14. Corporate Social Responsibility (CSR)

For social and economic development of communities, your Company undertakes CSR activities in areas of healthcare, drinking water & sanitation, education, skill development, rural development and other areas of national importance. The projects are conceived in consultation with the stakeholders, primarily in the vicinity of its area of operations.

During FY 2022-23, your Company has spent ₹321.66 crore on CSR activities. Further, 168 new CSR projects of ₹275.10 crore were sanctioned during FY 2022-23.

During the year, the Company contributed ₹105 crore to PM CARES Fund towards COVID-19 pandemic.

Also, the Company provided "POWERGRID Endowment Scholarship" Merit-Cum-Means (MCM) Scholarship Programme for B.Tech students of Indian Institute of Technology Madras (IITM).



POWERGRID awarded with 2nd prize for contribution during Swachhata Pakhwada

Major CSR Projects Completed during FY 2022-23:

- Vishram Sadan at DMCH, Darbhanga (Bihar), Guwahati Medical College & Hospital, Guwahati (Assam) and Sir Sayajirao General (SSG) Hospital, Vadodara (Gujarat).
- Ring Gantry Linear Accelerator for Radiotherapy Treatment at Regional Cancer Centre, Thiruvananthapuram, Kerala.
- MRI machine to Vivekanand Medical Institute, Palampur, Himachal Pradesh.
- 100 bedded Pediatric Intensive Care Unit (PICU) at GSVM Medical College, Kanpur UP.
- Financial assistance to National Foundation for Communal Harmony (NFCH) for education of 1600 violence affected students from Assam, Manipur and Chhattisgarh, etc.
- 50 seat Hostel in Schedule Caste Senior Girls Hostel at Tehsil Sarai in Singrauli District.
- Playground with all necessary facilities at K.B. Women's Govt. College, Hazaribagh, Jharkhand.
- Development & Upgradation of Dichenling Crematorium Complex Gangtok.
- Providing Medical equipment and Instruments to various Government Health facilities in the State of Sikkim.
- Supply of Medical equipment to ESI Hospital Faridabad.
- Providing Aids & Appliances to Persons with Disabilities at Nalgonda in Telangana and East Godavari Districts in Andhra Pradesh.
- Supply of Medical equipment to Swami Ramanand Theerth Rural, Government Medical College (SRTGMC), Ambajogai, Beed district, Maharashtra.

Important CSR projects sanctioned during FY 2022-23:

- Setting up of Industrial Training Institute (ITI) at Dharamgarh, sub division of Kalahandi District, Odisha.
- Construction of 200 bedded Vishram Sadan at Maharani Laxmi Bai College and Hospital, Jhansi.
- Engagement of apprentice trainees for skill development under CSR initiative FY 2022-23.

- Providing life-saving medical equipment for critically-ill cancer and kidney-failure patients at Safdarganj Hospital, New Delhi.
- Supply & Installation of 128-Slice CT scan for Emergency Medical Service Department of JIPMER, Puducherry.
- Establishment of Wi-Fi facility at NIT Jamshedpur campus.
- Procurement of medical equipment for Govt. Maharaja Jitendra Narayan Medical College (MJN MC&H) at District Coochbehar, West Bengal.
- Providing emergency & essential equipment/machinery (22 Nos. of items) to Osmania General Hospital, Hyderabad, Telangana.
- Repair and Renovation of Sanskritik Bhawan, Ara, Bhojpur, Bihar.
- Supply and installation of essential Medical Equipment in Chigateri District Hospital, Davanagere, Karnataka.



Inauguration of POWERGRID Vishram Sadan, Darbhanga

- Improving nutrition of severely wasted and underweight children / Neonatal and adolescent girls of Baghpat District through establishment of Mother & New Born Care, Nutrition Rehabilitation Centre and mobile Pathology centre along with nutrition diet and supplement.
- Installation of High Technology Nucleic Acid Amplification testing (ID NAAT) Machine at AIMS, Mohali, Punjab.
- Construction of new OPD and ward in Community Health Center at Mehgaon, Bhind District, Madhya Pradesh.
- Construction of community centers, boundary wall, classrooms in Govt. schools at Kota, Rajasthan.
- Providing General modular operation theatre with required medical equipment's in Civil General Hospital, Malegaon under Nashik District.
- Installation of Equipment & machineries, furniture and Audio-visual aids for Skill Development Training Centre Building at Assam Engineering Institute.
- Providing medical apparatus/instruments to Rural Hospital, Brahampuri and Sub-Dist Hospital, Warora General Hospital, Chandrapur, etc.

A complete list of all CSR Projects undertaken and sanctioned by the Company during FY 2022-23 are given in **Annexure-X** of this Report.



POWERGRID Vishram Sadan, Guwahati

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 applicants through real time monitoring of all RTIs/ Appeals. The portal also facilitates auto generation of various RTI reports for internal and external stakeholders.

In FY 2022-23, 933 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. The Company under suo moto

disclosures in compliance under Section 4 (1)(b) of Right to Information Act, 2005 has place large amount of information in public domain on a proactive basis to make the functioning of the Public Authorities more transparent and to reduce the number of RTI applications from individuals.

15.2. Commitment to Transparency and Ethical practices

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

a) Emphasis on Preventive Vigilance

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

During FY 2022-23, 71 surprise inspections, 32 process-on-line inspections and 21 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 2022-23, various Preventive Vigilance Workshops, Webinars were conducted for non-vigilance personnel at various regions of the Company. These workshops inter-alia cover contracts management, provisions of Conduct Discipline and Appeal Rules (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 (VAW) was observed in POWERGRID from 31st October, 2022 to 6th November, 2022 with the theme "Corruption free India for a developed nation; 'अपराधमुक्त भारत-विकसित भारत'". Further, preventive vigilance measures cum housekeeping activities were also taken up as a 3 month's campaign from 16th August, 2022 to 15th November, 2022 as a precursor to VAW-2022. Various activities like essay competition, quiz competition, slogan competition, etc. were organized within and outside POWERGRID in which more than 14,000 students participated. 19 Awareness Gram Sabhas involving approx. 6,000 persons were conducted. Vendor Meets were organized at Corporate Centre and all Regions. The message of VAW 2022 was propagated through social media platforms, FM Channel and Electronic media. Journal of Vigilance Department of POWERGRID (CANDOUR) was released in digital mode during the closing ceremony of VAW.

Senior officers of your Company participated in VAW celebration event organized by the CVC at Vigyan Bhawan on 3rd November, 2022. Company's best practices like Contract Closing Portal and Information on Record Portal were recognized and published in the Preventive Vigilance Initiative booklet released during the event.

d) Public Awareness about G20 Anti Corruption Working Group (G20 ACWG)

1st Meeting of G20 Anti Corruption Working Group held at Gurugram from 1st to 3rd March 2023. The Company organized various competitions like quiz, poster making, debate, essay competitions for students of schools and colleges, activities like nukkad-natak (street plays) and displayed banners and posters for general public at prominent locations to generate public awareness on theme of "Promoting Integrity, Preventing and Combating Corruption.

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 always believed in its employees achieving the assigned targets and has continually strived to nurture their abilities by addressing their requirements through timely and appropriate HR interventions. It has been our endeavour to develop and deploy systems & practices that facilitate employees to perform at their fullest potential. Company believes in attracting, retaining and developing such employees who are aligned with the core values of the Company and provide them with a workplace where their safety and health are upheld in a non-discriminative and approachable environment.

As on 31st March 2023, the permanent employees on rolls of your Company stood at 8342 of which women employees constituted 8.15%. The attrition rate of regular employees stood at 0.83% in the year 2022-23. The Company also ensured filling up of key roles of Executive Directors and Chief General Managers in time.



16.1. Human Resource Development

In a world of disruptive business models and changing technologies, our ability to learn is one of the biggest organizational capabilities to survive and thrive in the future, and to this end, Human Resource Development has a key role in upskilling our workforce to make them future-ready. Through well-articulated talent management and learning & development interventions, 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 scaleup the learning & development in Power Sector, your Company has been operating 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.

Some of the key learning & development initiatives undertaken by the Company during the year includes the following:

- More than 700 training and development programs were organized at PAL, other Employee Development Centres in the regions and associated premier educational institutes in India and abroad.
- In order to answer frequently asked queries regarding various HR & HRD policies, an AI /ML based chatbot named "POWERGRID Robotic AI Bot for HR Assistance (PRABHA)" has been rolled out.
- To promote employee education, 15 employees have been sponsored for M. Tech program in POWER System and reliability by NIT Jalandhar and 5 employees have been sponsored for 15 months PGDM program by NTPC School of Business. 50 employees have been sponsored in AO/ML course through IIITB.
- Company has developed 122 e-Learning modules related to different business verticals and 9 refresher courses related to various company domains benefiting about 7500 employees.
- Company has hosted 7 modules related to Power transmission for Government of India ambitious "Mission Karmayogi" Programme.
- Tie-up has been made with Ministry of IT & Electronics, Government of India and IT Industry body

NASSCOM for their FutureSkills Prime portal. This provides access to all employees to e-courses in emerging technologies and professional skills in FutureSkills Prime.

- Your Company encouraged continuous learning and knowledge upgradation of its employees by providing access to more than 5 million online documents/ resources through EBSCO and IEEE collection with 24*7 access to e-books, e-journals, and standards on different subjects.

Leveraging its people's capabilities and infrastructure available at PAL for capacity development of power sector, your Company has taken following initiatives for stakeholder development:

- More than 950 apprentices have been engaged in different trades as per the Apprentice Act.
- About 380 contract staff have been imparted training under Recognition of Prior Learning (RPL) certification.
- Assessment and Development Centre (ADC) for E5-E8 covering about 2800 employees is under progress.
- 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. As a part of this program, at present more than 5500 trainees are undergoing training across 25 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 and Tripura) and Capacity Building under Comprehensive Scheme (Arunachal Pradesh & Sikkim – 2 states)
- Extended customized Training Programs for clients from various power utilities.

16.2. Employee Welfare

In order to respond to the constantly evolving business scenario and to address the dynamic requirements of employees, your Company undertakes regular updation of its policies to keep up with the industry trends. In an effort to make the employee related processes smooth and for uniform implementation of employee benefits, an Employee Benefit Centre (EBC) has been established at Manesar, Haryana.

Continuing our efforts towards gender equity and to extend the coverage of maternal leave, your Company provided special maternity leave for adoption of child and for commissioning mothers & paternity leave for adoption of child/ having a child through surrogacy and also extended the provisions of childcare leave to single male parents.

Your Company has been an ardent advocate of physical and mental wellbeing of its employees and in this direction Company has organized numerous health talks on various topics to make its employees aware about the cause of diseases and measures to prevent them. In the wake of new diseases and to keep the employees hale and healthy, your Company encourages preventive medical interventions through preventive health checkup and reimbursement of vaccination. Further, as a novel initiative, a 24*7 Emergency helpline for dealing with medical emergencies of employees and their dependents has been made functional.

Your Company has constantly encouraged employees to be physically and mentally fit and active, in this direction, it has bagged the 2nd position for excellent performance in sports activities in the Annual Performance Awards 2021-22 by Power Sports Control Board. Your Company has also won many notable laurels in sports viz., Bronze medal at the International Para TT Championship and the champions trophy of the Power Cup 2022.

Your Company has taken many initiatives towards



digitalization, like the introduction of dedicated portals for reservation related matters and management of apprentices. Further, a semi-formal online interaction medium has been provided for employees to interact and collaborate on their personal interests. Yet another digital initiative this year has been the launch of PG Arogya Portal as a repository of employee wellbeing related information and the introduction of e-medical card, whereby employees and dependents can access and download the medical card and authorization for hospitalization, anywhere and anytime.

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 on 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

Separate cell to look after and safeguard the interests of SC/ ST/ OBC & PwD categories of employees is in place.

Liaison Officer looks after SC/ ST/ OBC & PwD employees and is assisted by the reservation cell. The Liaison Officer also ensures that there is no discrimination on the basis of 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 with regard to reservation policy issued by Government of India. Annual inspection is also conducted by Liaison Officer to ensure implementation of directives issued by Government of India. Periodic meeting is held with representatives of the association of SC/ ST & OBC to resolve issues, if any.

17. Prevention of Sexual Harassment at Workplace

Your Company has framed a Policy on Prevention of Sexual Harassment at Workplace to reaffirm its commitment towards zero tolerance against Sexual Harassment and to provide a framework for dealing with Sexual Harassment incidents. The policy is in line with the provisions contained in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. Training/ workshop programs for both male and female employees have been conducted to sensitize them on issues and the law/ Act/ Policy relating to sexual harassment. Workshops on women empowerment, development and gender sensitization are also organized. One complaint of sexual harassment was received during FY 2022-23 and the same has been disposed off in stipulated time as per the Guidelines/ Policy.

18. Implementation of Official Language (Rajbhasha)

In pursuance of Govt. 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 on 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. These programs have been organized both online and offline during the year 2022-23. 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 News Papers have been made available for the employees.



2nd prize has been awarded to POWERGRID Corporate Centre, Gurugram for excellent implementation in the field of Rajbhasha

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 FY 2022-23. Various awards were given by "Town Official Language Implementation Committee (TOLIC), Rajbhasha Vibhag, Ministry of Home Affairs, Govt. of India and other agencies in recognition of implementation of Official Language. The offices at Gurugram, Secunderabad, Vadodara, Bhopal, Kolkata, Dadri, Faridabad, Nagpur, Magarwada, Siliguri, Jabalpur, Maithon, Jamshedpur etc. have been honoured.

19. Stakeholder Engagement

Your Company focuses on engaging with all of 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.

20. Management Discussion and Analysis Report

Management Discussion and Analysis Report, forming part of the Directors' Report is placed as **Annexure-I** of this report.

21. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability 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 and Auditor General of India. M/s. S. Ramanand Aiyar & Co., M/s. Umamaheswara Rao & Co., M/s. B M Chatrath & Co LLP and M/s. PSD & Associates were appointed as Joint Statutory Auditors for the FY 2022-23.

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 no comments on the Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March 2023 from the Comptroller and Auditor General of India (C&AG) under Section 143(6) of the Companies Act, 2013. The communication from C&AG are placed at **Annexure-IV**.

23.3 Secretarial Audit

M/s. Kumar Naresh Sinha & Associates, Practicing Company Secretary has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2023. The Secretarial Audit Report is placed at **Annexure-V**.

The observations of Secretarial Auditor are as under:

- Half of the board of directors of the Company was not independent as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.
- The Company did not have at least one independent woman director on its Board as required under Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 and at least one woman director with effect from June 1 2022 as required under section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

Your Company's response to the observation made in Secretarial Audit Report is that the power to appoint Independent Directors in POWERGRID, which is a Government Company vests with the Government of India and the Company has taken up the matter for appointment of requisite number of Independent Directors (including one Independent Woman Director) 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., as Cost Auditors for the FY 2022-23 under section 148 of the Companies Act, 2013.

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

The Cost Audit Report for the Financial Year ended 31st March, 2023 will be filed within the prescribed time period under the Companies (Cost Records and Audit) Rules, 2014.

24. Board & Committees

24.1. Company's Board

During FY 2022-23, Shri Dilip Nigam, Scientist 'G', Ministry of New and Renewable Energy (MNRE), Government of India, who completed his tenure as a Government Nominee Director on 30th April, 2022 was appointed again as Government Nominee Director w.e.f. 6th June, 2022.

Shri Raghuraj Madhav Rajendran, Joint Secretary, Ministry of Power, Government of India was appointed as Government Nominee Director w.e.f. 5th August, 2022 and ceased to be a Director on 11th October, 2022. In his place Mr. Mohammad Afzal, Joint Secretary, Ministry of Power, Govt. of India was appointed as Government Nominee Director w.e.f. 11th October, 2022. He ceased to be a Govt. Nominee Director on 17th May, 2023 and in his place Dr. Saibaba Darbamura, Joint Secretary, Ministry of Power, Govt. of India was appointed as Government Nominee Director w.e.f. 18th May, 2023.

Shri Ghanshyam Prasad, Joint Secretary, Ministry of Power, Govt. of India relinquished the post of Government Nominee Director on 14th July, 2022 in terms of Article 31 of Articles of Association of the Company.

Shri M.N. Venkatesan, Independent Director ceased to be Director w.e.f. 10th July, 2022 on completion of his tenure.

Smt. Seema Gupta and Shri M. Taj Mukarrum completed the tenure as Director (Operations) and Director (Finance) of POWERGRID on attaining the age of superannuation w.e.f. 31st May, 2022 and 31st July, 2022, respectively.

Shri R. K. Tyagi assumed the charge of the post of Director (Operations) w.e.f. 12th August, 2022 and Shri G. Ravisankar assumed the charge of the post of Director (Finance) w.e.f. 21st September, 2022.

Shri K. Sreekant, Chairman & Managing Director had been entrusted with the additional charge of the post of Director (Operations) and Director (Finance) from 1st June, 2022 to 12th August, 2022 and from 1st August, 2022 to 21st September, 2022, respectively.

The Board placed on record its appreciation and gratitude to Smt. Seema Gupta, Shri M. Taj Mukarrum, Shri Ghanshyam Prasad, Shri Raghuraj Madhav Rajendran, Mr. Mohammad Afzal and Shri M.N. Venkatesan for their valuable contribution in steering the affairs of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, the resolutions w.r.t. reappointment of Shri Abhay Choudhary (DIN: 07388432) as Director liable to retire by rotation, has been included in the Notice of Annual General Meeting.

24.2. Number of Meetings of the Board

Board of Directors met 12 times during FY 2022-23. Details regarding dates and attendance at the Board meetings 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.

24.3. Committees of the Board

The Company has constituted Audit Committee, Corporate Social Responsibility 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.

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 the Company during FY 2022-23.

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

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 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/agm_egm_files/Form_MGT_7_FY_2022_23.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 at **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, Joint Ventures and Associate Companies

As on 31st March, 2023, the Company has 37 subsidiaries, 12 Joint Ventures and 4 Associate Companies.

Salient features of the financial of our Subsidiaries and Joint Ventures are covered in the Management discussion and Analysis and a statement in the prescribed Form AOC-1 is annexed as **Annexure-IX** of this Report.

25.7. Dividend Distribution Policy

The dividend distribution policy setting 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 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 Tribunals impacting the going concern status and Company's operations in future.

26. Annual Report on Corporate Social Responsibility (CSR)

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 5th 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 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).

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 under Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 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; and
- 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 the 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 2022-23. The commitment displayed by the employees at all levels 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: 6th August, 2023

Place: Gurugram



View of Pithoragarh Substation

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

Sr. No.	Annexure to the Directors' Report	Page number
Annexure I	Management Discussion and Analysis Report	150
Annexure II	Business Responsibility and Sustainability Report	188
Annexure III	Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014	224
Annexure IV	Comments of C&AG u/s 143(6)(B) of the Companies Act, 2013	229
Annexure V	Secretarial Audit Report	234
Annexure VI	Report on Corporate Governance	238
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Annexure IX	Form No. AOC-1	270
Annexure X	Annual Report on Corporate Social Responsibility (CSR) Activities	277



Annexure-I to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC & SECTOR OUTLOOK

India: A Growing Story

India remains a bright spot in an otherwise turbulent global economy. Economic activity is experiencing a slowdown globally and is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in the calendar years 2023 and 2024 as per the World Economic Outlook of IMF, released in July 2023. Amidst this, IMF has placed the growth projection for India at 6.1% in FY 2023-24, which is still the highest among Emerging Markets and Developing economies. The Economic Survey of India has projected a baseline growth of 6.5% for the country's economy.

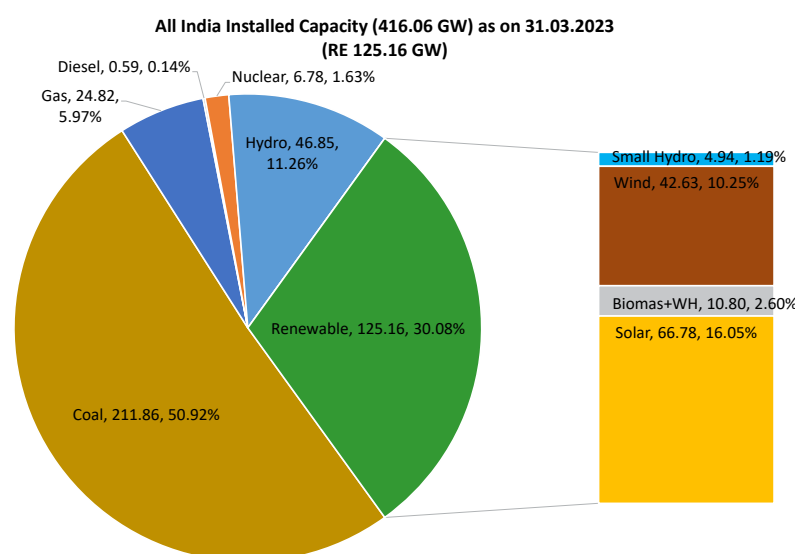
India has set its commitment to achieving Net Zero emissions by 2070 and is committed to reducing the emission intensity of its GDP by 45% by 2030, from the 2005 level, and achieving 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. Hon'ble PM has also launched Mission LIFE (Lifestyle for Environment) as a movement to nudge individual and community action to protect and preserve the environment with three phases – Phase 1: Change in Demand, Phase 2: Change in Supply and Procurement, and Phase 3: Change in Policies that can support both sustainable consumption and production.

As India grows, its demand for energy and resources is set to rise. Energy use in the country has doubled in the last 10 years and power generation capacity also grew from 222 GW (gigawatts) to 416 GW. The government's continued push to expand the power sector, and a greater thrust on low-cost renewable energy, has resulted in a significant decrease in the energy deficit from 10.1% in FY10 to just 0.5% by end of FY23. Even as the demand for energy is expected to go up further, this growth needs to be complemented by a shift towards lifestyle and technologies that enhance the share of renewable sources and reduce the reliance on fossil fuels.

With the increasing thrust on sustainability and energy security, electricity is preferred to replace other sources of energy. In renewables, India has made tremendous progress, with installed capacity up from 57 GW in 2010 to 172 GW in March 2023, with a target to further triple it to 500 GW by 2030. The surging renewable capacity is set to play a critical role in achieving the Net Zero emission target and helping India emerge as a global clean energy hub. Power transmission infrastructure is one of the catalysts behind this growth of renewables and thus the economic growth and prosperity of the country.

Power Sector Developments 2022-23

The power sector with its three pillars: Generation, Transmission, and Distribution, is crucial to India's economic growth. The Generation capacity mix of the country has undergone significant changes in the last decade. As on March 2023, the share of fossil-based capacity is 57% in the total capacity mix while non-fossil-based capacity is 43%. In terms of generation, the contribution of non-fossil-based energy is consistently increasing and is 26% of total generation in 2023.



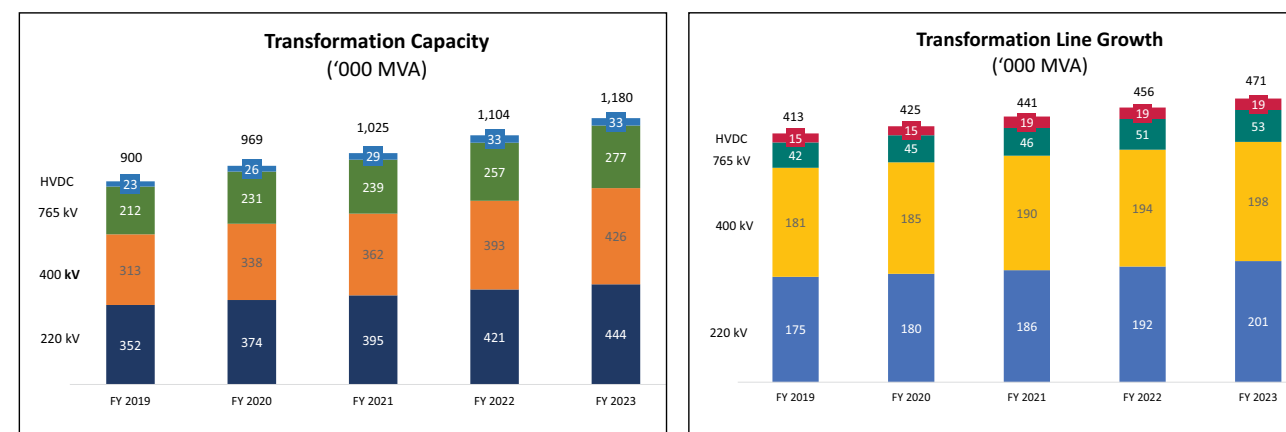
Source: CEA Monthly Report March 2023

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

	FY 20-21	FY 21-22	FY 22-23	Growth	
				(Y-o-Y)	3 years (CAGR)
Generation					
Total Installed Capacity (incl. RE) GW	382.15	399.49	416.05	4.15%	4.34%
Renewable Energy Sources (RES) Capacity GW (excluding large hydro)	94.43	109.85	125.15	13.93%	15.12%
Total Generation (incl. RE) BU	1381.86	1491.86	1624.15	8.87%	8.41%
Generation from RE sources (BU) (excluding large hydro)	147.25	170.91	203.55	19.10%	17.57%
Cross-Border Power Exchange (BU)	18.74	16.83	18.09	7.49%	-1.75%
Transmission					
Transmission Lines (ckm) (220 kV and above)	4,41,821	4,56,716	4,71,341	3.20%	3.29%
Transformation Capacity (MVA) (220 kV and above)	10,25,468	11,04,450	11,80,352	6.87%	7.29%
Inter-Regional Power Transfer Capacity (MW)	1,05,050	1,12,250	1,12,250	-	3.37%
Inter-Regional Power Transfer (BU)	214.77	228.00	236.00	3.51%	4.83%
Power Markets					
Short Term Transactions (Nos.)	69,036	89,544	1,02,692	14.68%	21.96%
Short Term Transactions (Energy Transacted) BU	123.67	162.81	171.81	5.53%	17.87%
Power Supply Position					
Peak Demand (GW)	190.20	203.01	215.88	6.34%	6.54%
Peak Met (GW) Peak	189.40	200.54	207.23	3.34%	4.60%
Deficit (%)	0.4%	1.20%	4%	-	-
Energy Demand (BU)	1,275.53	1,379.81	1,511.84	9.57%	8.87%
Energy Met (BU)	1,270.66	1,374.02	1,504.26	9.48%	8.80%
Deficit (%)	0.4%	0.04%	0.50%	-	-

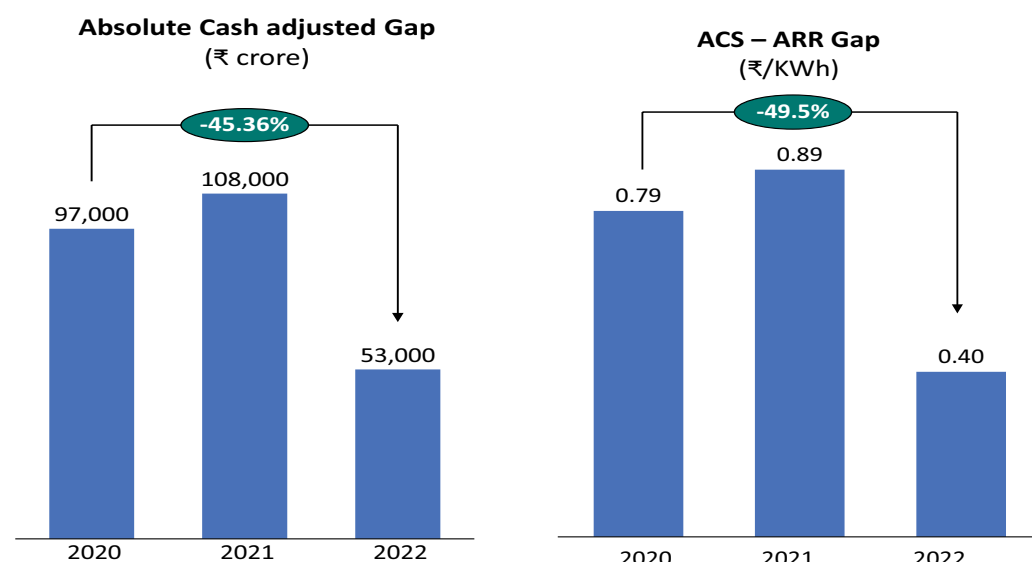
Source: CEA, Grid India Monthly Reports March 2023

The augmentation of the national grid as is evident from consistent growth in transmission lines and transformation capacity, is supporting the higher injection of renewables into the grid for the transfer of power from RE rich states to other states.



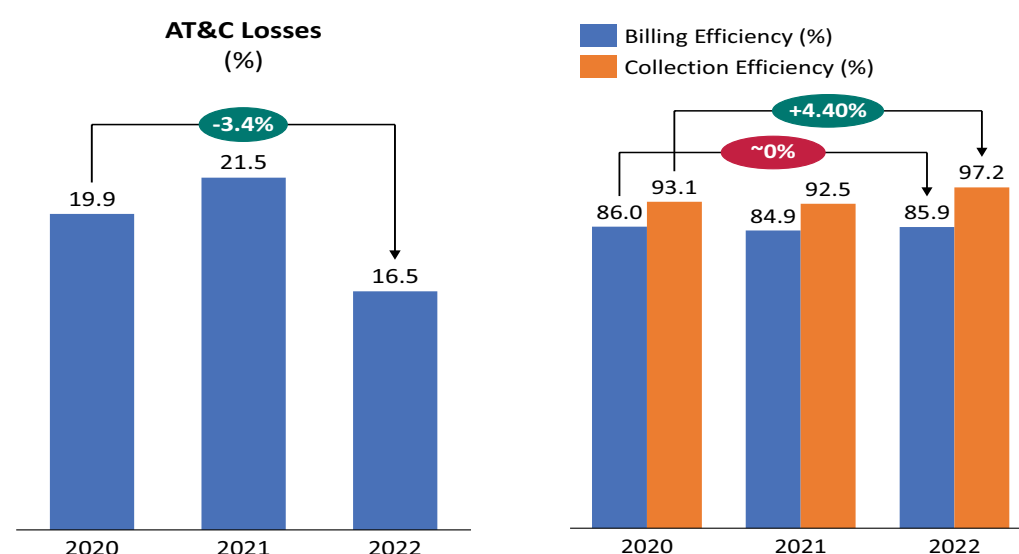
Source: CEA Monthly Reports

The distribution sector has also shown remarkable progress over the year. As per the 11th Annual Integrated Rating, the power distribution sector's financial deficit nearly halved in FY 2022 vis-à-vis FY 2020. This deficit narrowed on the back of rising demand for power and was driven by a 50% improvement in the ACS – ARR Gap.



Source: 11th Annual Integrated Rating & Ranking: Power Distribution utilities

AT&C losses have reduced to 16.5% in FY 22; significantly lower than 19.9% in FY 20. This improvement has been mainly driven by collection efficiency which improved from 93.1% in FY20 to 97.2% in FY22 whereas Billing efficiency remained almost flat.



Source: 11th Annual Integrated Rating & Ranking: Power Distribution utilities

Key Initiatives/Reforms & Regulatory Changes in Power Sector

MoP Rules/Guidelines

a) MoP Electricity (Late Payment Surcharge and Related Matters) Rules, 2022

MoP has issued MoP Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 superseding MoP Electricity (Late Payment Surcharge) Rules, 2021.

These rules shall be applicable to outstanding dues of Generating companies, ISTS licensees and Electricity Trading licensees. 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 1st 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. A onetime dispensation is provided to State Discoms for liquidation of their past outstanding dues (dues beyond due date) including Late Payment Surcharge up to 3rd June 2022 through rescheduled monthly instalments wherein maximum number of instalment is decided as per the rules, based on total outstanding.

b) Revised Scheme for Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022

With the revised scheme, all coal/lignite/gas based thermal generating stations or hydro power stations may establish or procure renewable energy from a RE power plant which is either co-located or at new locations. Such RE energy can be utilized for supplying power against their existing commitments/PPAs. The RE in the mix shall count towards the RPO compliance of the Distribution Licensee. Further, net savings realized, if any, from supply of RE power instead of Thermal/Hydro power under existing PPA shall be shared between the generator and beneficiary in ratio of 50:50.

c) Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022

Under the said Rules, all consumers with contracted demand / sanctioned load of 100 kW and above shall be eligible for green energy open access. MoP has notified Grid India as Central Nodal Agency to set up and operate a single window green energy open access system for renewable energy.

First amendment to said rules provides that a consumer can elect to purchase green energy by requisition from distribution licensee. The charges to be levied on Green Energy Open Access consumers is dealt in detail.

d) Policy for connectivity to Generating Stations on Central Public Sector Enterprise (CPSE) with Inter State Transmission System

MoP, in regard to representation from CPSE generating station having connectivity only with Intra State Transmission System requesting for connectivity with Inter State Transmission System, has decided the following.

- At the transmission planning stage itself, all new CPSEs Generating Stations shall be considered to be connected with ISTS.
- A State can plan and build Intra State transmission lines of required capacity at their own cost for drawl of free/allocated power from CPSE generating Station located within the State without having ISTS charge liability.
- Further, if the host State has more than 50% share in the CPSE generating station, then connecting the intra-state transmission line for the drawl of State's share may form part of the ISTS as per the regulation of CERC.

e) Electricity (Amendment) Rules, 2022

MoP has notified the Electricity (Amendment) Rules, 2022 amending the Electricity Rules, 2005. Under the amended Rules, the following major new rules have been inserted:

- Surcharge payable by consumers seeking open access shall not exceed twenty per cent of the average cost of Supply.
- Appropriate Commission to specify Price adjustment formula through which variation in power purchase costs shall be automatically passed through consumer tariff. Formula provided in Rules to be applicable till it is separately notified by Appropriate Commissions.
- Regarding resource adequacy, the Central government and State Commissions issue Guidelines and Regulations respectively. NLDC, RLDCs and SLDCs to assess resource adequacy at National, Regional and State level respectively.
- Rules have been provided for development of hydro power, energy storage system, and implementation of uniform renewable energy tariff for central pool.
- MoP has also substituted rules for resolution of disputes wherein the appropriate commission will pass a final order, within 120 days, which may be extended by 30 days for reasons to be recorded in writing. If final order cannot be issued, then an interim order will be issued otherwise after 120 days or 150 days, as the case may be, the aggrieved party may be allowed to make approach Appellate Tribunal.

CERC Regulations

a) Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022

CERC has issued Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022. CERC vide notification dated 1st April 2023 has issued

first amendment to CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022. The First Amendment Regulations and the specific provisions in the principal regulations regarding fresh applications for Connectivity and GNA, their processing and grant has come into force with effect from 5th April 2023.

b) Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2021

The subject Regulations has come into force with effect from 5th December 2022. CERC based on operational feedback on the implementation of said Regulations has issued Suo moto order dated 6th February 2023 in petition 01/SM/2023 vide which it has relaxed/ revised certain provisions of DSM Regulations, 2022 wherein Charges for deviation have been revised depending upon the quantum of deviation. Further, charges for deviations in extreme circumstances i.e. when frequency is in band of “**f < 49.95 Hz or f > 50.03 Hz**” have been provided notwithstanding the charges applicable under DSM Regulations, 2022.

c) CERC order regarding “Procedure for Short Term Open Access in inter-State Transmission System through National Open Access Registry (NOAR)”

The procedure shall be applicable on all the applications related to the ISTS-STOA (bilateral or collective transaction). Registration on NOAR is necessary for a short-term customer to be able to make an application for seeking standing clearance or applying for STOA transaction. After successful registration on NOAR, the customers have to apply to the host RLDCs for the issuance of a standing clearance for availing ISTS STOA in accordance with Regulation 8 of Principal Regulations.

d) Guidelines for Registration and Filing Application for Establishing and Operating Over the Counter (OTC) Platform

CERC has notified Guidelines for Registration and Filing Application for Establishing and Operating Over the Counter (OTC) Platform. “Over the Counter (OTC) Platform” is an electronic platform for exchange of information amongst the buyers and sellers of electricity.

e) CERC Suo-Motu order in Petition No. 17/SM/2022 regarding Directions by the Commission to the Power Exchanges registered under the Power Market Regulations, 2021

CERC has directed all the Power Exchanges to limit the upper price cap to ₹12/kWh in DAM (including GDAM), RTM, Intra-day, Day Ahead Contingency, and Term-Ahead (including GTAM) Contracts until further orders.

2. ENABLERS TO PROMOTE RENEWABLE ENERGY

Renewable Energy Sector is emerging as a significant player in the grid-connected power generation capacity and is gearing to play a much bigger role in achieving energy security in the coming years. To accelerate the growth in renewable capacity addition, the following initiatives have been taken:

Enabling Transmission Infrastructure

For enabling the growth of Renewable Energy (RE) capacity, geographic areas which have high solar and wind energy potential, need to be connected to Inter-State Transmission System (ISTS) so that the power thus generated can be evacuated to the load centres. As the gestation period of RE generation projects is much less than the gestation period of the transmission system, the same needs advanced planning and execution. In this direction, Government of India has released a Transmission network plan for the Integration of over 500 GW non fossil capacity addition by 2030 which details the various transmission schemes providing connectivity from RE potential zones, implementation phases, financing needs etc.

GoI Budget Focus

Union budget 2023-24 has considered ‘Green Growth’ as one of the seven top priorities for ushering green industrial and economic transition and sustainable energy in India and has envisaged various projects towards economy transition to low carbon intensity and schemes such as Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), Solar Rooftop Phase II, 12000 Mega Watt (MW) Central Public Sector Undertaking (CPSU) Scheme Phase II, etc. have been launched.

RPO & Storage Trajectory

A Joint-Committee under the Co-chairmanship of Secretary, Ministry of Power and Secretary, Ministry of New and Renewable Energy, was constituted on 17th December 2020 to recommend RPO trajectory beyond 2021-22. Based on the recommendations of the Joint Committee and discussions with MNRE, MoP through order dated 22nd July 2022 has specified the RPO and Energy Storage Obligations Trajectory beyond 2021-22 till 2029-30.

Year	Wind RPO	HPO	Other RPO	Total RPO
2022-23	0.81%	0.35%	23.44%	24.61%
2023-24	1.60%	0.66%	24.81%	27.08%
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%
2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

Source: National Electricity Plan 2022-32

The Energy Storage Trajectory mandates storage on energy basis as 1% for 2023-24 onwards to 4% for 2029-30. The energy storage obligation shall be calculated in energy terms as a percentage of total consumption of electricity.

Year	Storage Obligation (on energy basis)
2023-24	1%
2024-25	1.5%
2025-26	2%
2026-27	2.5%
2027-28	3%
2028-29	3.5%
2029-30	4%

MoP order dated 22nd July 2022

Amendment to CERC Regulations, 2023 – sharing of transmission charges and Losses.

Waiver of Inter-State Transmission System (ISTS) charges for inter-State sale of solar and wind power for projects to be commissioned by 30th June 2025. This waiver will remain for 25 years. Battery storage systems that are charged using energy from Renewable Generating stations or Renewable hybrid generating stations, which start operating before 30th June 2025, will be eligible for waiver of transmission charges for 12 years.

Energy Conservation (Amendment) Act, 2022

Energy Conservation (Amendment) Bill, 2022 includes provisions for mandatory minimum use of non-fossil fuel sources and setting up of carbon trading markets. The ‘Carbon-Market’ would be instrumental in creating a deeper and wider market for energy saving, reducing emissions from various industries, and incentivizing for cleaner fuels.

Promoting Pump Storage Plants

Government of India has issued guidelines to promote development of Pump Storage Projects (PSP) in the country. As per the revised draft NEP published by the Central Electricity Authority, the country would require 26.7 GW of Pumped Storage Projects and 47.2 GW of BESS (5 hour) to integrate the RE capacity envisaged till 2032.

Indian Electricity Grid Code Regulations, 2023

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 has been notified recently. The Grid Code apart from the provisions relating to the role of various statutory bodies and organizations and functional linkages among them, contains extensive provisions including integration of renewables; ancillary services and reserves; and cyber security etc.

3. OUTLOOK FOR THE INDIAN POWER SECTOR

Energy Demand & Consumption

The energy demand as per 20th EPS is going to increase from 1600 BU in 2023-24 to 2474 BU in 2031-32.

FY 2022-23 (Energy demand) : 1511 BUs

Projections as per 20th EPS

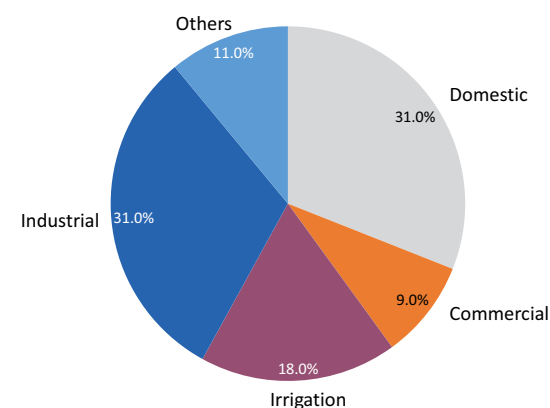
FY 2023-24

- Energy Requirement : 1600 BU
- Peak demand (Ex Bus) : 230 GW

FY 2031-32:

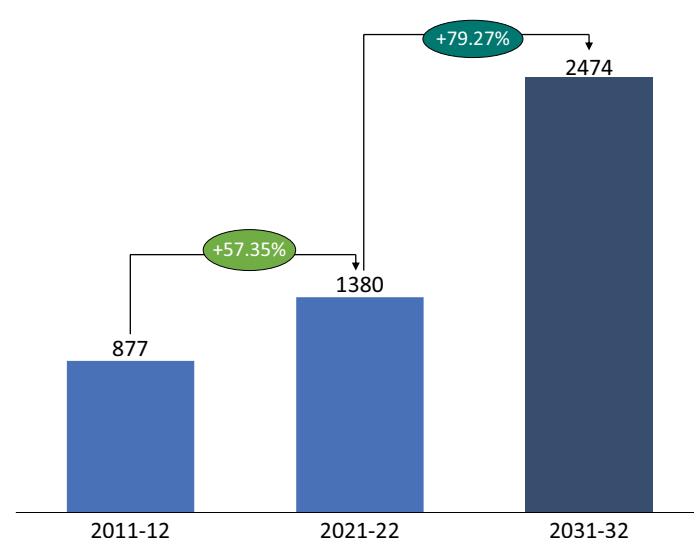
- Energy Requirement : 2474 BU
- Peak demand (Ex Bus) : 366 GW

Energy Consumption Profile (2031-32)



Source: 20th EPS Report

Energy Consumption (BU)

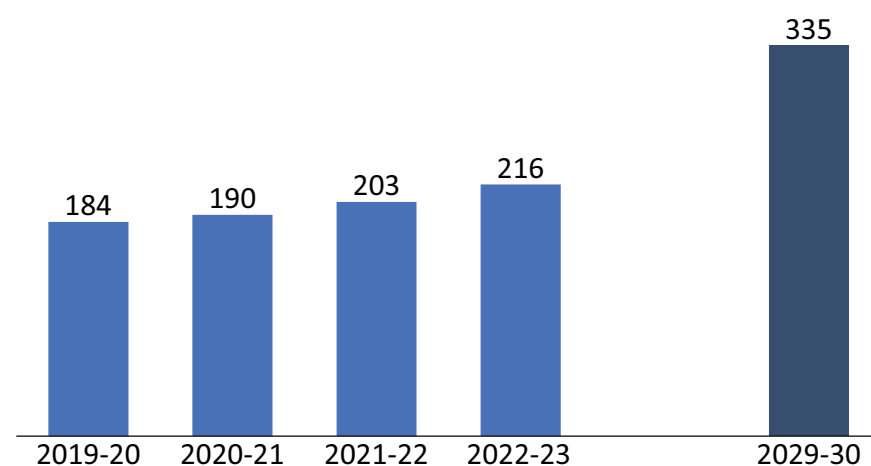


Source: CEA Monthly Report, Optimal Generation Mix Report

India's per capita consumption (1255 units in 2022) is around one-third of the global average. Between 2012 and 2022, the consumption has increased from 877 BU to 1380 BU and is envisaged to increase to 2474 BU by 2031-32.

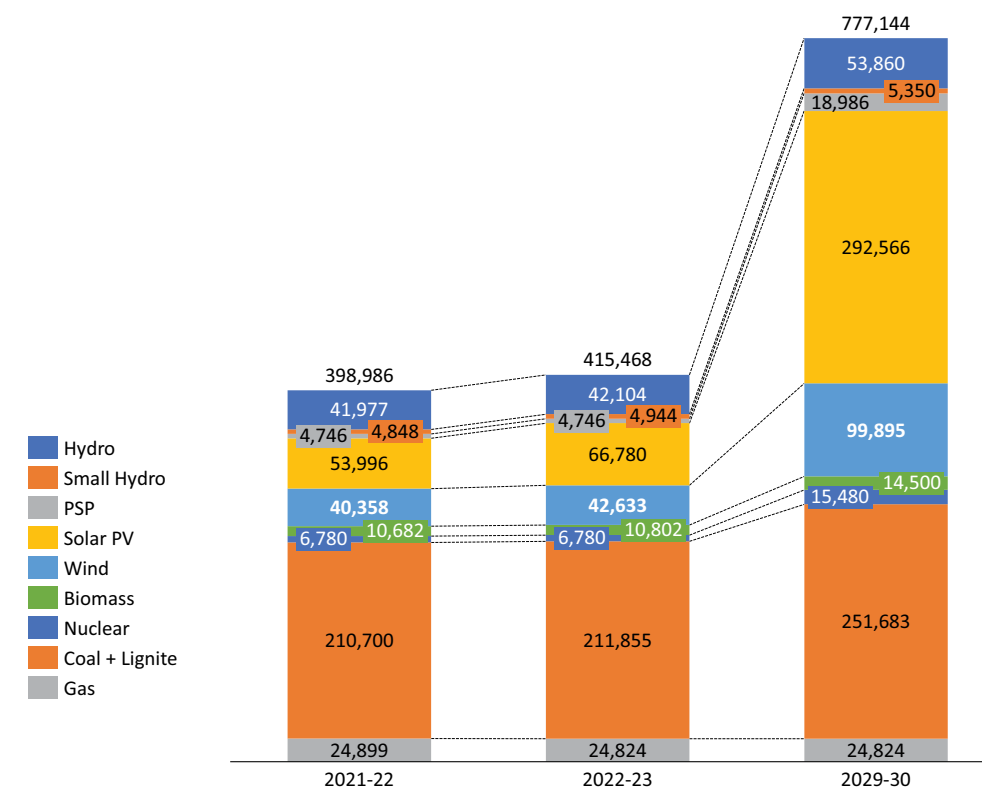
The enhanced pace of industrialization, urbanization, and rural transformation will demand a huge quantum of energy. Strong economic growth shall continue to drive electricity demand. As per CEA projections, Country's peak demand is likely to reach 335 GW by 2030.

Peak Demand (GW)



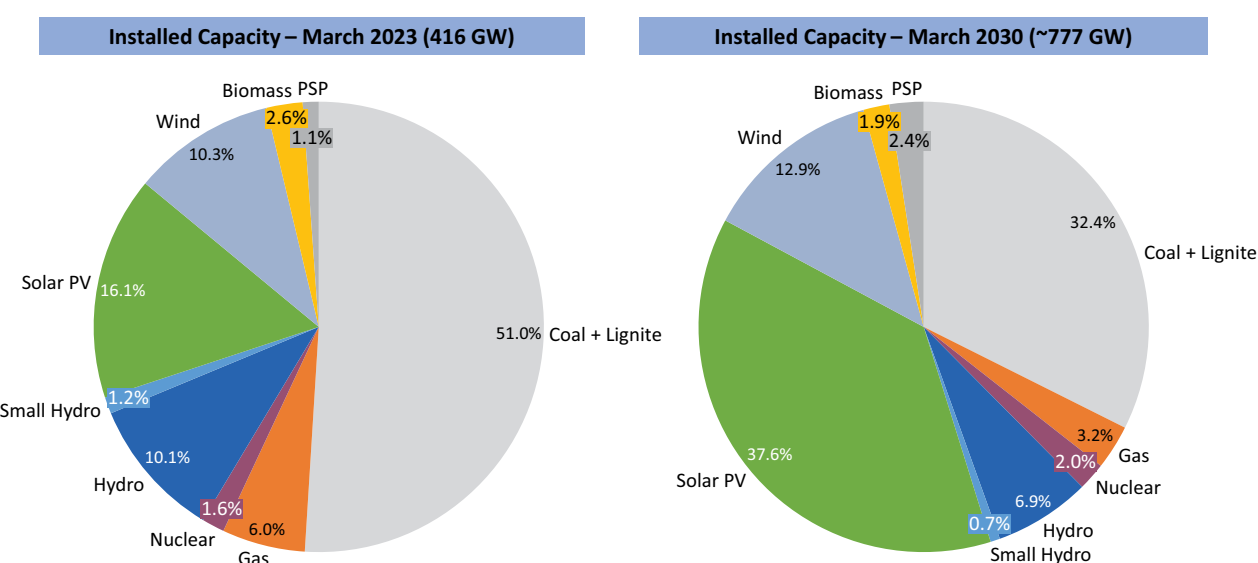
Source: CEA Monthly Report, Optimal Generation Mix Report

The generation capacity is going to increase sharply in 2023-2030 period with the Total Generation installed capacity increasing to 777 GW in 2029-30 from the current 416 GW in 2022-23 with mainly renewable generation getting added.



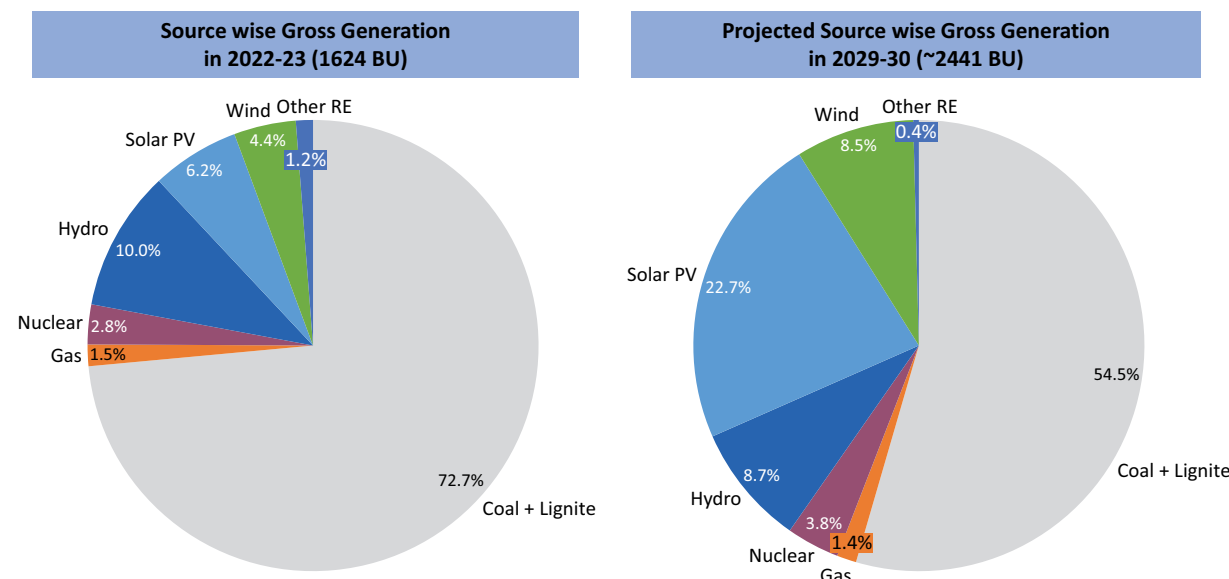
Source: CEA Monthly Report, Optimal Generation Mix Report

The non-fossil-based installed capacity is likely to be about 65% of the total installed capacity and non-fossil fuels-based gross generation is estimated to contribute around 45% of the gross electricity generation during the year 2029-30.



Source: CEA optimal generation Mix Report

As per CEA, the projected gross electricity generation (BU) in the year 2029-30 is likely to be 2441 BU comprising of 1365 BU from thermal (Coal, Gas and Lignite), 984 BU from RE Sources (including 223 BU from Hydro), and 92 BU from nuclear as shown below:



Source: CEA optimal Generation Mix Report

Due to large scale RES penetration by 2030, the energy balancing would require adequate flexibility in the grid. Flexible resources such as BESS and a Pumped storage system shall be required on pan-India basis. 41.6 GW BESS and 18.9 GW PSP by 2030 has been identified in CEA's report on Optimal Generation Capacity Mix Report 2.0.

10 GW off-shore wind potential has been planned in the states of Gujarat and Tamil Nādu.

Opportunities in Transmission Sector

Transmission is a vital element in the value chain of the power sector. It is an enabler for seamless integration of renewable energy, movement of power to the load centres and ensures the availability of reliable and affordable power to consumers.

CEA Report on 'Transmission System for Integration of over 500 GW RE Capacity by 2030' identifies various transmission lines aggregating to 50,890 ckm and 433,575 MVA transformation capacity at new/existing substations under ISTS for integration of wind and solar capacity by 2030, at an estimated cost of ₹2,44,200 crores. Following these additions to the Inter-state Transmission System, the cumulative inter-regional transmission capacity is likely to be about 1,50,000 MW in 2030.

a) Inter-State Transmission System

As per the 20th Electric Power Survey (EPS) report of CEA, peak demand for 2027-28 is envisaged to be about 294 GW, and total installed capacity shall be about 702 GW. To integrate the envisaged generation capacity and projected demand, the following asset addition in ISTS is to be made by 2027-28 as per the rolling plan of CTUIL.

Sl. No.	Financial Year	ckm addition	MVA addition	Estimated cost (in ₹ crore)
1	2023-24	-	1,000	185
2	2024-25	6,510	58,435	19,637
3	2025-26	11,760	1,45,160	77,842
4	2026-27	7,894	74,775	53,863
5	2027-28	2,028	6,630	26,967
Total		28,192	2,86,000	1,78,493

Source: Rolling Plan 2027-28 for Inter-State Transmission System by CTUIL.

The Inter-Regional (IR) transmission capacity is expected to grow from the present level of 1,12,250 MW to about 1,38,740 MW by 2027-28.

b) Intra-State Transmission system:

Development of an Intra-State Transmission System by State Transmission Utilities (STU) shall be commensurate with the development of an Inter-State transmission system & Distribution system as it is a vital link in the power supply chain between Inter-State Transmission & Distribution System. Development of Intra-State Transmission System shall enhance the ability of States to provide better services to their consumers, reduction in Power outages due to overloading/tripping, and further reduction in AT&C losses.

c) Cross-Border Inter-connections:

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 4,433 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 existing, under construction, and planned cross-border transmission capacity of India with neighboring countries is summarized below:

(Fig in MW)

Country	Existing (as on March' 2023)	Under Construction	Planned	Total
India-Bangladesh	1160	0	1000	2160
India-Bhutan	2070	2220	0	4290
India-Myanmar	3	0	505	508
India-Nepal	1200	1900	4570	7670
India-Sri Lanka	0	0	500	500
	4433	4120	6575	15128

Source: Rolling Plan 2027-28 for Inter-State Transmission System by CTUIL.

d) One Sun, One World, One Grid

In order to study various aspects viz., Technical, Operational, Regulatory & Legal, Commercial and Institutional mechanisms of grid interconnections and formulate the framework for the development of transmission interconnections among various regions viz. South Asia (SA), South East Asia (SEA), Middle East (Gulf Cooperation Council [GCC]), Africa, Europe, etc. as part of 'OSOWOG', the Ministry of Power, Government of India has constituted a Task Force with members from POWERGRID, CEA, CTU, CERC, SECI & Grid-India. Studies on various aspects related to existing cross-border transmission interconnections in above regions and benefits of regional grid interconnections in terms of optimal utilization of energy resources including renewables, utilization of peak time diversity, sharing of reserves, the economy in operation, development of vibrant power market, etc. have been identified.

e) Other emerging opportunities:

i) Grid scale battery energy storage technologies

Indian power system is witnessing significant capacity addition from renewable energy sources which is expected to gather pace with plans to have 500 GW RE by 2030. This pace in the electricity sector puts huge premium on robust grids and other sources of flexibility in the grids. As such, there would be growing need for energy storage plants for smooth integration of these renewables in the grid and to stabilize the electrical grid.

Battery Energy Storage System (BESS) will be set up both as part of RE generation projects and as part of transmission elements to meet the requirement of Round-the-Clock (RTC) power. As per National Electricity Plan (Vol I), the total storage requirement in the year 2026-27 is likely to be 16.13 GW/82.37 GWh which includes 7.45 GW/47.76 GWh PSP-based storage and 8.68 GW/34.72 GWh of BESS based storage. This storage capacity requirement increases to 73.93 GW/411.4 GWh in 2031-32 which includes 26.69 GW/175.18 GWh PSP and 47.24GW/236.22 GWh of BESS.

Storage as a Transmission element can make use of economies of scale by establishing utility-scale energy storage plants and can cater to the demands of grid stability.

ii) Revamped Distribution Sector Scheme

This scheme aims to improve the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. The Scheme has an outlay of ₹3,03,758 crore over a period of five years from FY 2021-22 to FY 2025-26. Under the scheme about 25 crore smart meters are to be installed in TOTEX mode and approx. 4 crore meters are given to CPSEs for implementation. This scheme shall further create opportunities for capital investment/ partnering with the State utilities through various models like consulting services/ handholding to prospective states.

iii) Transmission system for Off-shore wind

Government of India has set a target of 37 GW installed offshore wind energy capacity by 2030, mainly off the coast of Gujarat (Gulf of Khambhat) and Tamil Nadu (Gulf of Mannar). In this direction, your company is gearing up for various activities involved in the development of an offshore wind energy evacuation system which comprises the laying of submarine export power cable, connection to onshore substation through transition joint, and integration to the main grid.

iv) Hydrogen Economy and Infrastructure

Government of India is proactively approaching towards early development of Hydrogen (H₂) Economy Infrastructure in the Country. Green Hydrogen (H₂), which is formed through electrolysis of water with the help of RE power, is the next generation fuel. It is estimated that the green hydrogen production would be close to major ports and end-use industries will be fertilizers, refineries, steel plants etc. MNRE is in the process of identifying the additional RE Potential Zones for setting up the RE generation capacity as well as the location of potential sites for manufacturing of Green Hydrogen and Green Ammonia. In the budget speech of 2023-24, an outlay of ₹19,700 crore was announced under the National Green Hydrogen Mission, which will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports.

To cater to additional electricity demand on account of Green Hydrogen production by 2030, additional RE capacity would be required. For initial projects of Green Hydrogen production, the planned transmission system will be adequate. However, with the progress of Green Hydrogen production and visibility of additional RE potential zones, transmission system would further be planned and taken up for implementation. As per Optimal generation Mix report, April 2023 of CEA, additional energy requirement for the country on account of green hydrogen production of around 10 million Tonnes (considering only 5 million tonnes load on Grid) has been estimated as 250 BU by FY 2029- 30.

4. COMPANY'S OUTLOOK

I. Transmission

Your company is one of the largest transmission companies in the world and it operates both in inter-State and intra-State transmission sectors. POWERGRID owns & operates Extra High Voltage (EHV) transmission lines spread over the length and breadth of the country along with EHV AC & HVDC Substations.

The power transmission network (along with its subsidiaries) as well as other segments i.e., Telecom and consultancy are discussed in the Director's Report.

In light of the large scale opportunities in the inter-State segment, your company remains confident of maintaining its pre-eminent position in the Indian transmission sector. In the recently held 14th NCT, projects worth ₹75,248 crore have been approved which will be put up for bidding in the current financial year. This has created huge potential in the sector. Further, under regulated tariff mechanism, we also see opportunities to implement strategic and important projects including cross-border interconnections.

By the year 2030, massive addition in inter-state segment capacities would also necessitate the addition of an intra-State transmission system to facilitate last-mile connectivity. We have executed Intra state transmission system in the states of Uttar Pradesh and Madhya Pradesh in recent years and we are actively scouting for various opportunities under Tariff Based Competitive Bidding in Intra-STs. Your company looks forth to engaging with the states for development of intra-state transmission systems through consultancy, Joint ventures and project development through Tariff Based Competitive Bidding.

II. Telecom

Telecom is an essential enabler for the economic development of a country. The drivers such as an increase in affordability, growing demand for data, and Government initiatives such as 'Digital India' will contribute towards the growth of the Telecom Sector in India. The development and application of 5G services, shall further spur opportunities in the telecom sector.

Your Company has a significant presence in Telecom Sector leveraging its pan-India overhead optic fiber network using optical ground wire (OPGW) on Extra High Voltage (EHV) power transmission lines. The company maintains a backbone availability of ~ 99.99%, and hence, is a preferred partner for telecom service providers and other customers. To enhance focus in this segment, a wholly owned subsidiary of POWERGRID has been incorporated. After CERC approval was received recently, the Business Transfer Agreement has been executed by your company with POWERGRID Tele Services Limited (PTSL) and the process to hive off the business is in progress.

PTSL is exploring opportunities in ILD Business to serve countries viz. Bangladesh, Bhutan, Nepal etc. Further, an exclusive dedicated Telecom Network for the National Transmission Asset Management Centre (NTAMC) is underway. The company is advancing well in its endeavors toward the establishment of a Data Centre. Approval for the use of land and building at the Manesar sub-station for the establishment of a Data Centre has been recently accorded by CERC. Further, the company is exploring setting up Hyper-Scale & Edge Data Centers and carrying out the preliminary activities for its setup at a few locations.

The company's initiatives in providing their transmission towers for FM transmission are in progress. Successful signal testing has been done by the Ministry of Information & Broadcasting (MoI&B). GPS coordinates of all tower locations have been shared with MoI&B to map their requirement.

The solution has also been apprised to Governing Council of National Broadband Mission developed for utilization of Power Transmission Towers for mounting Mobile Base Transceiver Station (BTS) and Radio Transmission Systems, Antennae, etc. along with Fiber connectivity & Reliable Power Supply for mobile communication. DoT has intimated to all the Unified Licensee/ Virtual Network Operators/ Unified Access Services (UAS) licensees to utilize transmission line towers of POWERGRID for Mobile Communications.

III. Consultancy

Domestic

Leveraging vast experience and expertise in the power sector, we are providing consultancy services to various Utilities, CPSEs, and private agencies in the areas of Power transmission system planning and design, substation design and construction, transmission line engineering, contracting, project management services, development of SCADA, Energy efficiency, Smart grid infrastructures, Transmission Asset Management Centers, etc. Further, your Company has been playing a pivotal role in centrally sponsored schemes of the Northeast region and UTs of Jammu & Kashmir and Ladakh.

POWERGRID is committed to providing the best consultancy services to its clients and constantly innovating and developing new solutions to meet the ever-changing needs of the power sector. With a large pool of experienced professionals and domain knowledge, POWERGRID is playing a vital role in implementing Revamped Distribution Sector Scheme (RDSS) for strengthening the distribution system and sub-transmission system. MoUs have been signed with Kashmir Power Distribution Corporation Ltd. (KPDCL), Jammu Power Distribution Corporation Ltd. (JPDCL) and Ladakh Power Development Department (LPDD) for implementation of RDSS works. A non-binding and non-exclusive MoU for Smart Metering (part of RDSS) has been signed with Madhya Gujarat Vij Company Limited (MGVCL) and Uttar Gujarat Vij Company Limited (UGVCL). About 65-70 lakh meters are expected to be installed for which the company has completed the procurement activities and is now ready for award. Your Company is continuously engaged with prospective states Utilities for implementing Smart Metering infrastructure development works under the RDSS scheme.

Your company has commenced the development of projects on BOOM basis for industry. Your company is implementing a dedicated transmission line on BOOM basis for Reliance Industries Limited (Jamnagar Oil Refinery) and few more entities have shown interest in the implementation of the transmission projects on similar basis.

With the country's impetus on reducing carbon emissions, numerous companies are striving to reduce carbon emissions. To meet this requirement, these companies are setting up renewable power plants to meet their energy requirements, while others are exploring the option of connecting to the Interstate Transmission System (ISTS) to access a substantial supply of renewable power for their refineries and plants. In both scenarios, the establishment of adequate transmission infrastructure becomes crucial for evacuation and drawl of power from the grid. Recognizing the opportunities arising from the development of transmission infrastructure, your company has approached multiple companies operating in the aforementioned industries. Several Companies have expressed their willingness to associate with your company in the development of the dedicated transmission infrastructure.

International

Global expansion is a key component of the company's strategy to become a world leader in the power

transmission sector. Starting with a modest journey, we have expanded our presence in 23 countries across Asia, Africa, CIS, Asia Pacific, the Middle East, and Europe and are constantly looking for new opportunities in Africa, Asia, the Middle East, and CIS countries. Our customers include government energy suppliers, multilateral financial institutions such as the World Bank, ADB, IFC, and governments. The company strives to share its expertise and experience with other countries by providing consulting services from concept to transmission system commissioning, feasibility study and DPR preparation, project management and construction supervision, procurement support, asset management, and capacity building.

Company signed a joint development project with African 50 in 2021 to take up investment in Kenya and a Private Investment Proposal (PIP) was jointly submitted by POWERGRID along with Africa50 in Nov'2022. PPP Committee of Kenya after scrutinization of PIP has recommended sponsors to proceed to the "Development Phase". Meanwhile, a cooperation agreement has also been signed with Africa 50 to introduce a transmission system in Tanzania, which will also include the Tanzania Electricity Supply Company. Further, we are actively engaged in G2G discussions with neighboring countries for reinforcement of the existing transmission system and also to establish new cross border transmission connectivity. Also, we are in the process of formalizing an agreement for the preparation of a detailed project report for additional cross-Border Interconnection between India and Myanmar which also include the establishment of a 500 MW HVDC BtB and 230 kV Transmission line within Myanmar.

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

In spite of several policy initiatives taken by Govt. of India and POWERGRID, timely obtaining clearance for forest/wildlife area and securing land for upcoming substations remains a major challenge, largely due to involvement of external factors/agencies. 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 Availability of land for construction of Substation/ transmission lines.	Apart from investing in new technologies like Gas Insulated Switchgear (GIS) Substations and Hybrid substation, your Company, has decided to secure land for its substation through mutual consent on 'Willing Buyer Willing Seller' basis as far as possible, in order to minimize social impact and ensure long term beneficial relationship with land-owners in particular and community in general. 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. Your Company has developed design for suspension Guyed tower for 400 kV D/C transmission lines. This Guyed tower occupies lesser footprint on ground and is light weight in comparison to conventional lattice towers and can be used in hilly terrain. Also developed steel Monopole with all phases on one side for use in areas having severe ROW constraints. Apart from above, schemes for cable termination on lattice tower have also been developed. Also, indigenous vendor development of Insulated crossarms for transmission lines upto 400kV Voltage level has been taken up. Insulated crossarms shall result in reduction in Right of Way requirement and tower weights by approx. 10-15%.
2 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. Further, access to Decision Support System (DSS) software of MoEFCC and PM GatiShakti Portal has facilitated in optimization of transmission line route vis-à-vis forest, protected areas and other row constraints during early stage of planning and formulation of forest/wildlife proposal.

Challenges in Construction	Mitigation actions
3 Timely expansion of Transmission system to meet the requirements of Renewable Energy (RE) capacity addition	Alternative procurement and project execution strategies to meet the short timeline requirement of Transmission projects have been implemented.

- 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:

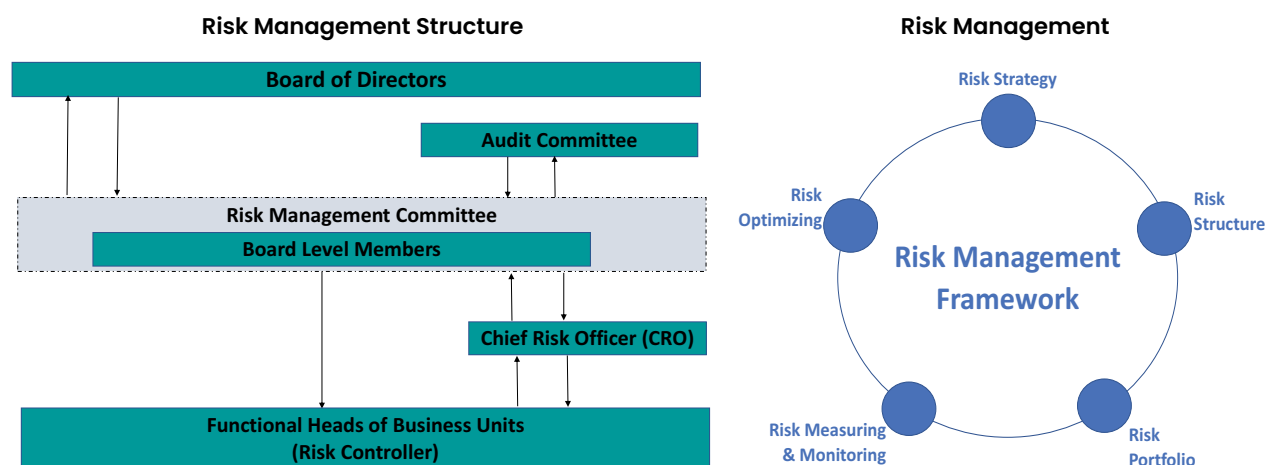
Challenges in Operations and Maintenance	Mitigation actions
Increasing operational & maintenance efficiency	- Developed In house AI/ ML based defect identification tool PG AMRIT (POWERGRID Asset Management through Artificial Intelligence in Transmission) which has been integrated with transmission line patrolling platform PG-DARPAN (POWERGRID Digital Application for Routine Patrolling & Assessment of Network). PG AMRIT automatically identifies the defects from Tower photographs using AI/ML algorithms. This has aided in optimizing the efforts of line maintenance manpower and shifted the focus from defect identification to defect rectification. +/- 500 kV, 1500 MW HVDC Rihand -Dadri Bi-Pole Terminals and 500 MW Vindhyachal HVDC back to back Sub-stations started operating remotely from NTAMC (National Transmission Asset Management Centre) Manesar. This is first time in India that a HVDC Sub-station is being operated from remote control centre. This innovation presents a promising future for enhancing efficiency and reducing costs. Asset Management Dashboard (UDAAN) to ensure a single window access to all the key performance indicators (KPIs) by integrating data stored in various formats. Developed In-house, Asset Health Indexing Software for Circuit Breakers. It automatically fetches and evaluates the Circuit Breaker data from a centralized database and assigns health index to the equipment based on the extent of deterioration using POWERGRID's own interpretation technique. This will help in migration to Reliability Centered Maintenance of Transmission Asset. Hotline maintenance and Emergency restoration system (ERS): Implemented hot line maintenance technique to carry out maintenance of critical elements in live condition to avoid outages. POWERGRID is also using ERS for quick restoration of transmission lines in case of failures. Development of special design for transmission line foundations: Developed special foundations for towers in Snow avalanche area with raised pedestal and tie beam all around at multiple levels to cater to impact loading due to snow avalanche. Indigenous Vendor Development for Supply of Emergency Restoration System (ERS) and Insulated crossarms: Keeping in view the Aatma Nirbhar Bharat Abhiyaan & Make in India initiative of Government of India, taken up indigenous vendor development of Emergency Restoration System (ERS) for emergency restoration of transmission lines.

6. RISK MANAGEMENT FRAMEWORK

Your Company has established a comprehensive Enterprise Risk Management (ERM) framework that enables the achievement of the Company's strategic objectives by identifying, analyzing, assessing, mitigating, monitoring, and governing any risk or potential threat to these objectives. The strategic, operational, financial, HR, compliance, and cyber security risks identified by the businesses and functions are systematically monitored and controlled through various Key Performance Indicators (KPIs).

Your Company has a dedicated Board level Risk Management Committee comprising one Independent Director and three Executive Directors as members to review the KPIs, and processes and address major risks through mitigating actions on a continuing basis to improve business efficiency. The risk management committee also monitors compliance-related risks regularly and ensures strict compliance with all regulatory norms. The systematic and proactive identification of risks, and mitigation thereof, enables your company to boost performance with effective and timely decision-making.

Your company has designated a Chief Risk Officer. During the reporting period, three meetings of the Risk Management Committee were held to monitor/review the risks.



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 elaborate 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 additions,
- 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 stake holders in all areas of its activities and shall endeavor to continually improve its management systems and practices in conformity to legal and regulatory provisions.

9. Financial Discussion and Analysis

Total Income

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Revenue from Operations	43,343.05	39,933.39	8.54
Other Income	2,625.02	2,402.48	9.26
Total Income	45,968.07	42,335.87	8.58

Total income in FY 2022-23 was ₹45,968.07 crore, which represented an increase of 8.58% over the total income of ₹42,335.87 crore in FY 2021-22. In FY 2022-23, transmission and transmission related activities constituted 91.60% of our total income, with the balance coming from consultancy, telecommunication business and other income.

Factor 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 1st April of the tariff year.

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.

Besides above rebate for timely payment of transmission charges as per Sharing Regulations, 2020 and Late Payment Surcharge (LPS) as per MoP Rules for delayed payments is also applicable. MoP, vide Gazette Notification dated 22nd February 2021, notified the Electricity (Late Payment Surcharge) Rules, 2021. Subsequently, MoP on 3rd June 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 1st 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.

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. 1st 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)

Particulars	FY 2022-23	FY 2021-22	Change %
Revenue from Transmission Business (including Other Operating Revenue)	42,104.78	38,599.71	9.08
Consultancy- Project Management & Supervision	509.29	753.34	(32.40)
Revenue from Telecom Business	728.98	580.34	25.61
Total	43,343.05	39,933.39	8.54

Your Company is mainly engaged in the business of Transmission of Power. The revenue from transmission business is increased by 9.08% mainly due to commissioning of new transmission assets, interest on differential between provisional and final tariff and one time CERC Order's.

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 decreased by 32.40% mainly due to decrease in income from NERPSIP, Comprehensive Scheme Sikkim and Arunachal Pradesh due to completion of works. The revenue from our telecommunication business is mainly on account of leasing the bandwidth of our fibre - optic lines. The revenue from telecom business increased by 25.61% mainly due to new contracts.

9.2 Other Income

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Other Income	2,625.02	2,402.48	9.26

The other income increased mainly due to an increase in interest from loans to subsidiaries, interest from PGInVT, unwinding of interest on financial Assets, dividend income from Subsidiaries & JV Companies and PGInVT.

10. Expenses

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Expenses	28,753.38	25,767.90	11.59

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

10.1 Employee Benefits Expense

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Employee Benefits Expense	2,504.96	2,234.76	12.09

Employee 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, an increase in dearness allowance, house rent allowance and commissioning of new assets.

10.2 Finance Costs

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Finance Costs	9,744.25	8,210.94	18.67

As compared to previous year, the increase of 18.67% in finance cost was mainly on account of interest on capitalisation of new transmission systems, interest on loan to subsidiaries, increase in FERV due to increase in exchange rate which is partially offset due to repayment of loans.

10.3 Depreciation and Amortization Expenses

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Depreciation and amortization expenses	12,939.88	12,550.58	3.10

As compared to previous year, the increase of 3.10% in Depreciation and Amortization Expenses was mainly on account of capitalisation of new transmission assets.

10.4 Other Expenses

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Other Expenses	3,564.29	2,771.62	28.60

As compared to previous year, the increase of 28.60% in other expenses is mainly on account of increase of foreign exchange rate variation, CSR expenses, travelling expenses, security expenses, right of way charges (telecom) and vehicle hiring charges etc.

Pursuant to the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, some distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade Receivables (Non-current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to ₹153.83 crore has been charged as Other Expense.

During the year, allowance for impairment amounting to ₹52.14 crore has been provided towards impairment of investment in and loan to National High Power Test Laboratory Private Ltd

11. Profit before Exceptional Items, Tax & Regulatory Deferral Account Balances

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Profit before Exceptional Items, Tax & Regulatory Deferral Account Balances	17,214.69	16,567.97	3.90%

11.1 Tax Expenses

Tax expenses consist of Current tax and Deferred tax.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Current Tax	2913.67	3,282.06	(11.22)
Deferred Tax	(775.57)	(571.00)	35.83

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 31st 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 ₹1,985.18 crore (Previous year ₹3,288.36 crore). Hence, the same has been recognized as Deferred Tax Assets during the year.

11.2 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 2022-23 stood at ₹256.43 crore as against ₹(522.66) crore in previous year. This is mainly due to increase in Foreign Exchange Rate Variation (FERV).

12. Profit after Tax (PAT)

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	Change %
Profit after Tax (PAT)	15,333.02	17,093.76	11.16*

*excluding exceptional Items of ₹3300.67 crore (Net of Tax) on account of monetization of assets of 5 Nos. of subsidiaries through POWERGRID Infrastructure Investment Trust (PGInvIT).

Your Company recorded a growth in PAT at 11.16% (excluding exceptional items) as compared to previous year mainly due to commissioning of new transmission assets.

13. Return on Net Worth

(In %)

Particulars	FY 2022-23	FY 2021-22	Change
Return on Net Worth	18.51	18.11*	0.40

*excluding exceptional Items of ₹3300.67 crore (Net of Tax) on account of monetization of assets of 5 Nos. of subsidiaries through Powergrid Infrastructure Investment Trust (PGInvIT).

14. Financial Ratios

Particulars	FY 2022-23	FY 2021-22
Debtors Turnover	3.85	4.46
Inventory Turnover	32.22	29.14
Interest Coverage Ratio	3.93	4.61
Current Ratio*	0.90	0.62
Debt Equity Ratio	60:40	63:37
Operating Profit Margin	92%	93%
Net Profit Margin	35%	43%

*Current ratio increased by 45% due to decrease in current maturities of Long term borrowings and Short-term borrowings. Refer note 64(i) "Additional Regulatory Information as per Schedule III to the Companies Act, 2013-Ratios" for reasons for variance > 25%.

15. Other Comprehensive Income (Net of Tax)

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Other Comprehensive Income	(106.70)	290.93

The variation is mainly due to decrease in valuation of investment in units of PGInvIT and PTC India Limited.

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 2022-23	FY 2021-22	% Change
Cash and cash equivalents	4,146.24	2,457.47	68.72

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. The increase in cash and cash equivalents in comparison to previous year is mainly on account of increase in current accounts balance and Term Deposits (with maturity less than 3 months) (including interest accrued).

18. Cash Flows

(₹ in crore)

Particulars	Year ended March 31	
	2023	2022
Cash and cash equivalents at the beginning of the year	2,457.47	4,430.05
Net cash from operating activities	35,268.25	24,640.20
Net cash from / (used in) Investing activities	(4,315.83)	2,188.54
Net cash from / (used in) Financing activities	(29,263.65)	(28,801.32)
Cash and cash equivalents at the end of the year	4,146.24	2,457.47

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 2022-23 was primarily reflected in expenditure on Property, Plant & Equipment and Capital Work-in-Progress (including advances for capital expenditure) of ₹3,064.54 crore, Loans & Advances to Subsidiaries & Joint Ventures (including repayment) of ₹3,089.78 crore, investment in Subsidiaries & Joint Ventures of ₹358.83 crore and receipt of interest on deposits, bonds and loans to subsidiaries & JV's, PGInvIT of ₹1,200.14 crore, surcharge received of ₹192.79 crore and dividend received of ₹671.71 crore.

18.3 Net Cash from / (used in) Financing Activities

During FY 2022-23, your Company raised ₹9,140.44 crore of new long-term borrowings. These borrowings included principally Rupee bonds/Loans. The Company repaid ₹15,540.65 crore of long-term borrowings and paid interest and finance cost of ₹9,709.69 crore. In the FY 2022-23, the Company paid dividend of ₹8,544.93 crore comprising final dividend of ₹1,569.48 crore for FY 2021-22 and interim dividend of ₹6,975.45 crore for FY 2022-23.

19. Capital Expenditure

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Capital Expenditure (Cash Basis)	8,850	9,426	(6.11)

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 2022-23 and FY 2021-22, includes CAPEX for TBCB companies of ₹3,867 crore and ₹4,501 crore respectively.

20. Non-current Assets

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Non-Current Assets	2,14,066.78	2,17,793.25	(1.71)

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

20.1 Property, Plant and Equipment

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Property, Plant & Equipment (Net Block)	1,70,801.36	1,78,175.63	(4.14)

Property, Plant & Equipment (Net Block) has decreased by 4.14%. It mainly consists of Land, Buildings, Transmission Lines, Substations, HVDC, ULDC Equipment, Furniture Fixtures, Right of Use (ROU) assets etc.

20.2 Capital work in progress

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Capital work-in-progress	7,668.13	7,344.46	4.41

Capital work-in-progress was increased by 4.41% in FY 2022-23. 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 2022-23	FY 2021-22	% Change
Intangible Assets	1,476.19	1,556.13	(5.14)

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 2022-23	FY 2021-22	% Change
Intangible assets under development	31.08	31.53	(1.43)

Right of way-afforestation expenses during construction period are shown as Intangible assets under development. The change is on account of capitalization of expenditures on Transmission Projects during FY 2022-23 and undertaking of new transmission projects.

20.5 Investments

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Investments (Quoted)	1,774.46	1,926.43	(7.89)
Investments (Un-Quoted)	5,640.49	5,302.10	6.38
Total	7,414.95	7,228.53	2.58

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 consist of equity investment in Subsidiaries & Joint venture companies at cost. Major investments in Subsidiaries & Joint venture as on 31st March 2023 are:

Sl. No.	Name of the Subsidiary/Joint Venture	Amount invested as on 31.03.2023 (₹ in crore)
Subsidiaries		
1	POWERGRID NM Transmission Limited	490.95
2	POWERGRID Khetri Transmission System Limited	198.25
3	POWERGRID Medinipur Jeerat Transmission Limited	647.00
4	POWERGRID Mithilanchal Transmission Limited	233.20
5	POWERGRID Ajmer Phagi Transmission Limited	115.00
6	POWERGRID Himachal Transmission Limited	432.50
7	POWERGRID Fatehgarh Transmission Limited	141.00
8	POWERGRID Southern Interconnector Transmission System Limited	709.00

Sl. No.	Name of the Subsidiary/Joint Venture	Amount invested as on 31.03.2023 (₹ in crore)
9.	POWERGRID Varanasi Transmission System Limited	187.56
10.	POWERGRID Bhuj Transmission Limited	232.00
11.	POWERGRID Rampur Sambhal Transmission Limited	142.10
12.	POWERGRID Meerut Simbhavali Transmission Limited	195.13
13.	POWERGRID Bhind Guna Transmission Limited	111.95
14.	POWERGRID Bikaner Transmission System Limited	100.00
Joint Ventures		
15.	Powerlinks Transmission Limited	229.32
16.	Teestavalley Power Transmission Limited	120.12
17.	North East Transmission Company Limited	106.96
18.	Bihar Grid Company Limited	334.13
19.	Energy Efficiency Services Limited	463.61

20.6 Trade Receivables (Non-Current Assets)

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Trade receivables	695.57	-
Total	695.57	-

Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade Receivables (Non- current/Current) considering the requirements of applicable Indian Accounting Standards.

20.7 Loans (Non-Current)

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Loans to Related Parties	16,450.85	13,880.84	18.51
Loans to Employees	446.44	388.94	14.78
Total	16,897.29	14,269.78	18.41

The increase in loans in comparison to previous year was mainly due to increase in Unsecured Loans given to Subsidiaries for execution of Projects acquired by the Company through Tariff Based Competitive Bidding (TBCB) route.

20.8 Other non-current financial assets

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Other non-current financial assets	4,170.04	4,144.46	0.62

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 21st 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 Gol.

20.9 Other non-current assets

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Other non-current assets	4,912.17	4,797.73	2.39

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 from employees and other authorities.

21. Current Assets

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Current Assets	21,943.02	20,111.35	9.11

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 2022-23	FY 2021-22	% Change
Inventories	1,323.55	1,352.60	(2.15)

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

21.2 Trade Receivables

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Trade Receivables	12,381.52	8,836.81	40.11

Trade Receivables consists mainly of receivables relating to transmission services, consultancy services and telecom services. The increase in trade receivables is mainly due to arrear bills for previous quarters which was billed in the month of April, 2023. 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 2022-23	FY 2021-22	% Change
Cash and Cash Equivalents	4,146.24	2,457.47	68.72

Cash & Cash Equivalents increased by 68.72% in FY 2022-23 as compared to previous year was mainly on account of increase in term deposits (with maturity less than 3 months) (including interest accrued) and balance in current accounts.

21.4 Bank Balances other than cash & cash equivalents

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Bank balances other than cash & cash equivalents	588.20	513.57	14.53

Bank Balances other than cash & cash equivalents increased by 14.53% during FY 2022-23 as compared to previous year was mainly on account of increase in term deposits (with maturity over 3 months but up to 12 months) in banks for consultancy clients & others.

21.5 Loans (Current)

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Loans	455.10	328.27	38.64

The increase in Loans from previous year to FY 2022-23 was mainly on account of increase of current maturities of Loans to Subsidiary Companies.

21.6 Other current financial assets.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Other current financial assets	2,571.32	6,395.78	(59.80)

As compared to previous year, other current financial assets decreased by 59.80% during FY 2022-23 mainly on account of decrease in Contract Assets.

21.7 Other Current Assets

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Other current assets	216.23	210.99	2.48

As compared to previous year, the other current assets have increased by 2.48% in FY 2022-23.

21.8 Assets Classified as Held for Sale

The balance share of 26% of 4 associate companies amounting to ₹260.86 crore will be transferred in line with Transmission Service Agreement (TSA) and the same was shown as "Assets Classified as Held for Sale".

22. Indebtedness

The Company relies 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, which are guaranteed by GOI. Following table sets forth, by currency, our outstanding debt and its maturity profile (currency conversions are as of 31st March 2023):

(₹ in crore)

Loan Name	2023-24	2024-25	2025-26	2026-27	2027-28 Onwards	Total
1. Domestic Bonds	5,700.38	8,192.55	7,117.30	10,630.58	29,081.68	60,722.49
2. Domestic Loans	2,754.00	3,504.00	3,754.00	4,259.35	13,669.10	27,940.45
3. Foreign Loans						
US\$	2,683.69	2,577.32	2,444.60	2,220.52	19,987.21	29,913.34
EUR	652.41	649.37	646.98	642.81	2,298.98	4,890.55
SEK	201.75	201.75	201.75	201.75	197.07	1,004.07
JPY	11.38	11.38	11.38	286.96	1,102.90	1,424.00
Sub Total (3)	3,549.23	3,439.82	3,304.71	3,352.04	23,586.16	37,231.96
TOTAL (1+2+3)	12,003.61	15,136.37	14,176.01	18,241.97	66,336.94	1,25,894.90

22.1 Long-term borrowings

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Long-term borrowings	1,13,891.29	1,14,199.40	(0.27)

Long-term borrowings include amounts raised from 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 0.27% in comparison with the previous year.

22.2 Secured Loans

The secured loans (excluding current maturities of long term loans) as at 31st March, 2023 and 2022 were ₹ 75,338.05 crore and ₹ 82,429.61 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 31st March, 2023:

Particulars	Amount (₹ in crore)	% of total unsecured debt
Bonds denominated in Rupees	40,270.15	53.45
Term Loans and other Loans from Banks and Financial Institutions:		
Denominated in Foreign Currency	28,700.89	38.10
Denominated in Rupees	6,367.01	8.45
Total	75,338.05	100

22.3 Unsecured Loans

The unsecured loans (excluding current maturities) as at 31st March, 2023 and 2022 were ₹38,553.24 crore and ₹31,769.79 crore respectively, which consist of domestic 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 31st March, 2023:

Particulars	Amount (₹ in crore)	% of total unsecured debt
Bonds denominated in Rupees	14,751.96	38.26
Term Loans (From Domestic Banks and Foreign Currency Loans):		
Denominated in Foreign Currency	4,981.84	12.92
Denominated in Rupees	18,819.44	48.82
Total	38,553.24	100

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. 1st 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 31st March, 2023, AAD has decreased by 17.66% from ₹858.29 crore during FY 2021-22 to ₹706.73 crore in FY 2022-23.

24. Current Liabilities

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Current Liabilities	24,373.66	32,279.37	(24.49)

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 2022-23	FY 2021-22	% Change
Borrowings	12,703.61	20,465.87	(37.93)

The Borrowings were decreased due to decrease in current maturities of Long Term Borrowings and decrease in short term borrowings from banks

24.2 Trade payables

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Trade payables	325.02	266.14	22.12

Trade payables as at 31st March 2023 were 22.12% higher as compared to 31st March, 2022.

24.3 Other Current Financial Liabilities

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Other current financial liabilities	7,392.53	7,408.90	(0.22)

Other current financial liabilities mainly include Interest accrued but not due on borrowings, dues for capital expenditure, deposits/retention money from contractors and others etc. Other current financial liabilities as at 31st March, 2023 were 0.22% lower as compared to 31st March, 2022.

24.4 Other Current liabilities

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Other current liabilities	3,132.40	3,203.41	(2.22)

Other current liabilities as at 31st March 2023 were 2.22% lower as compared to 31st March, 2022 mainly on account of advances from customers.

24.5 Provisions

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Provisions for Employee Benefits and others	781.41	932.31	(16.19)

As compared to previous year, the provisions for Employee Benefits and others decreased by 16.19%

25. BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES and SUBSIDIARIES for FY 2022-23

25.1 JOINT VENTURE (JV) COMPANIES:

(i) 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 ₹43.57 crore as dividend during FY 2022-23 from this JV.

As on 31st March 2023, POWERLINKS had 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 2022-23	FY 2021-22
POWERGRID's investment in Equity	229.32	229.32
Gross Income	138.83	144.15
Profit after Tax	81.08	91.39
Earnings per Share* (₹)	1.73	1.95

*Face value per Share is ₹10 each.

(ii) Torrent POWERGRID 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 31st March 2023, TPL had 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 ₹4.45 crore as dividend during FY 2022-23 from this JV.

Financial Highlights of this JV:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
POWERGRID's investment in Equity	23.40	23.40
Gross Income	40.39	40.84
Profit after Tax	21.24	18.46
Earnings per Share* (₹)	2.36	2.05

*Face value per Share is ₹ 10/- each.

(iii) North East Transmission Company Ltd. (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 31st March 2023, NETC had 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. NETC has paid ₹18.18 crore dividend during FY 2022-23 to POWERGRID.

Financial Highlights of this JV:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
POWERGRID's investment in Equity	106.96	106.96
Gross Income	304.98	347.82
Profit after Tax	88.63	93.14
Earnings per Share* (₹)	2.15	2.26

*Face value per Share is ₹10/- each.

(iv) 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 31st March 2023, PKTCL had paid-up capital of ₹272.84 crore. POWERGRID's share in the paid-up capital is ₹70.94 crore. The Project was progressively commissioned in November, 2015. POWERGRID has received ₹7.09 crore dividend during FY 2022-23 from this JV.

Financial Highlights of this JV:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
POWERGRID's investment in Equity	70.94	70.94
Gross Income	142.87	114.36
Profit after Tax	43.19	13.46
Earnings per Share* (₹)	1.59	0.49

*Face value per Share is ₹10/- each.

(v) 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 31st March 2023, TPTL had 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	FY 2022-23	FY 2021-22
POWERGRID's investment in Equity	120.12	120.12
Gross Income	254.11	241.99
Profit after Tax	51.67	17.18
Earnings per Share* (₹)	1.33	0.44

*Face value per Share is ₹ 10/- each.

(vi) 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 31st March 2023, NHPTL had 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 1st 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 write off. The project has no operating profit yet. A provision for impairment of assets amounting to ₹94.55 crore has been made in the books of NHPTL.

(vii) Bihar Grid Company Limited (BGCL):

POWERGRID entered into a Shareholders' Agreement on 29th 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 31st March 2023, BGCL had the Paid-up Share Capital of ₹668.25 crore. POWERGRID's share in the paid-up capital was ₹334.13 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 2022-23	FY 2021-22
POWERGRID's investment in Equity	334.13	322.54
Gross Income	252.30	518.54
Profit after Tax	(88.17)	143.96
Earnings per Share* (₹)	(1.28)	2.37

*Face value per Share is ₹ 10/- each.

(viii) RINL POWERGRID TLT Private Limited (RPTPL)

POWERGRID and Rashtriyalspat 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 31st March, 2023, 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.

(ix) Cross Border Power Transmission Company Limited (CPTCL):

POWERGRID entered into Shareholders' Agreement on 9th 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, 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 31st March 2023, CPTCL had paid-up capital of ₹48.50 crore. At present, POWERGRID equity is ₹12.62 crore.

POWERGRID has received ₹3.15 crore dividend during FY 2022-23 from this JV.

(x) Power Transmission Company Nepal Limited (PTCN):

POWERGRID entered into a Joint Venture cum Share Purchase Agreement on 5th 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 31st March, 2023, PTCN had 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. 19th February, 2016. POWERGRID has received ₹1.32 crore dividend during FY 2022-23 from this JV.

(xi) 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 31st March 2023, EESL had Paid-up Share Capital of ₹1,390.82 crore. POWERGRID's share in the paid-up capital was ₹463.61 crore (33.33%).

Financial Highlights of this JV:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
POWERGRID's investment in Equity	463.61	463.61
Gross Income	2,448.79	2,268.66
Profit after Tax	(331.74)	(184.16)
Earnings per Share* (₹)	(2.37)	(1.50)

*Face value per Share is ₹ 10/- each.

(xii) Butwal - Gorakhpur Cross Border Power Transmission Limited (BGCBPTL)

POWERGRID entered into a Joint Venture Agreement with Nepal Electricity Authority (NEA) for implementation of Indian portion of 400 kV New Butwal (Nepal)-Gorakhpur (India) Cross Border Transmission Line.

The Shareholding of both NEA & POWERGRID is 50% each in the JV company. The JV company incorporated on 31st August 2022 in India.

As on 31st March 2023, BGCBPTL had paid-up capital of ₹0.05 crore. POWERGRID's shares in the paid-up capital was ₹0.025 crore.

25.2 SUBSIDIARY COMPANIES:

(i) POWERGRID NM TRANSMISSION LIMITED (PNMTL)

PNMTL was acquired by POWERGRID on 29th March 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A) on build, own, operate and maintain (BOOM) basis. The Transmission System comprising 765kV D/C and 765kV S/C traverses the states of Tamil Nadu and Karnataka. PNMTL was granted transmission license by CERC in June, 2013. All the project elements had been progressively commissioned by January 2019.

As on 31st March 2023, PNMTL had an Authorized and Paid-up Share Capital of ₹496.25 crore and ₹490.95 crore respectively.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	365.09	119.02
Profit after Tax	222.39	7.50

(ii) POWERGRID UNCHAHAR TRANSMISSION LIMITED (PUTL)

POWERGRID Unchahar Transmission Limited ("PUTL") was acquired by POWERGRID on 24th March 2014 under tariff based competitive bidding for establishment of transmission system for Associated Transmission System ("ATS") of Unchahar Thermal Power Station ("TPS") on a build-own-operate-maintain (BOOM) basis. The transmission system comprising Unchahar - Fatehpur 400kV Double Circuit (D/C) line (about 106.74 circuit kilometer) traverses the state of Uttar Pradesh. PUTL was granted transmission license by Central Electricity Regulatory Commission on 21st July 2014 and the project had been commissioned on 1st October 2016.

PUTL is also Investment Manager of POWERGRID Infrastructure Investment Trust ("PGInvIT").

As on 31st March 2023, PUTL had an Authorized Share Capital of ₹14 crore and Paid-up Share Capital of ₹12.96 crore respectively. PUTL paid first interim dividend of ₹3.89 crore, second interim dividend of ₹3.63 crore and third interim dividend of ₹3.76 crore for FY 2022-23. PUTL further proposed a final dividend of ₹3.50 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	28.75	30.53
Profit after Tax	14.83	16.76

(iii) POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED (PSITSL)

PSITSL was acquired by POWERGRID on 4th December 2015 under tariff based competitive bidding 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 which traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400kV bay extension at two existing sub-stations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016. All the project elements had been progressively commissioned by January 2020.

The Company is implementing following works under regulated tariff mechanism:

- 765 KV Spare (1-Ph) Reactor unit at 765 KV Chilakaluripeta substation.
- To bypass NGR to use switchable line reactor as Bus reactor at 765 KV Chilakaluripeta substation.

As on 31st March 2023, PSITSL had an Authorized Share Capital of ₹731 crore and Paid-up Share Capital of ₹709 crore. PSITSL paid first interim dividend of ₹ 18.43 crore and second interim dividend of ₹ 29.06 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	481.06	492.59
Profit after Tax	129.91	(37.51)

(iv) POWERGRID MEDINIPUR – JEERAT TRANSMISSION LIMITED (PMJTL)

PMJTL was acquired by POWERGRID on 28th March 2017 under Tariff based competitive bidding for Transmission System associated with “765kV Strengthening in Eastern Region (ERSS-XVIII)” on build, own, operate and maintain (BOOM) basis. The Transmission System includes establishment of 765kV and 400kV Transmission lines which traverse the states of West Bengal and Jharkhand and includes establishment of two new 765/400kV Substations in West Bengal. The Company was granted transmission license by CERC in June, 2017. All the project elements had been progressively commissioned by August, 2022.

As on 31st March 2023, PMJTL had an Authorised and Paid-up Share Capital of ₹682.00 crore and of ₹647.00 crore respectively. PMJTL paid total interim dividend of ₹211.10 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	589.62	448.61
Profit after Tax	223.55	191.62

(v) POWERGRID MITHILANCHAL TRANSMISSION LIMITED (PMTL)

PMTL was acquired by POWERGRID on 12th January 2018 under Tariff based competitive bidding for Transmission System associated with “Establish Transmission System for Eastern Region Strengthening Scheme- XXI (ERSS-XXI)” on build, own, operate and maintain (BOOM) basis. The Transmission System includes establishment of 400kV Transmission lines in the state of Bihar and establishment of three new 400/220/132 kV Substations in Bihar. The Company was granted transmission license by CERC in April 2018. All the project elements had been progressively commissioned by October 2021.

As on 31st March 2023, PMTL had an Authorised and Paid-up Share Capital of ₹245.50 crore and ₹233.20 crore respectively. PMTL paid total interim dividend of ₹ 49.44 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	177.51	143.92
Profit after Tax	41.11	38.09

(vi) POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED (PVTSL)

PVTSL was acquired by POWERGRID on 27th March 2018 under Tariff Based Competitive Bidding for establishing Transmission System for new Western Region- Northern Region 765kV Inter Regional Corridor on build, own, operate and maintain (BOOM) basis. The Transmission System includes establishment of a 765kV D/C Transmission Line from Vindhyachal pooling station to Varanasi which traverse 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 31st March 2023, PVTSL had an Authorized and Paid-up Share Capital of ₹198.90 crore and ₹187.56 crore. PVTSL paid first interim dividend of ₹7.44 crore, second interim dividend of ₹8.44 crore, third interim dividend of ₹6.56 crore and fourth interim dividend of ₹6.00 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	122.13	79.69
Profit after Tax	29.16	20.16

(vii) POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED (PJFTL)

PJFTL was acquired by POWERGRID on 21st December 2018 under Tariff based competitive bidding for establishing intra-state Transmission System in Uttar Pradesh for Evacuation of Power from 2 X 660 MW Jawaharpur Thermal Power Project and Construction of 400 kV Substation at Firozabad along with associated Transmission Lines on build, own, operate and maintain (BOOM) basis. The Company was granted transmission license by UPERC on 5th July 2019. All the project elements had been progressively commissioned by July 2021.

As on 31st March 2023, PJFTL had an Authorized and Paid-up Share Capital of ₹93.70 crore and ₹89.60 crore respectively.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	59.16	51.90
Profit after Tax	18.97	17.12

(viii) POWERGRID KHETRI TRANSMISSION SYSTEM LIMITED (PKTSL)

PKTSL was acquired by POWERGRID on 29th August 2019 under Tariff based competitive bidding 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 19th December 2019. The project was commissioned on 4th October 2021.

As on 31st March 2023, PKTSL had an Authorized and Paid-up Share Capital of ₹209.00 crore and ₹198.25 crore, respectively. PKTSL paid first interim dividend of ₹3.97 crore, second interim dividend of ₹3.97 crore, third interim dividend of ₹15.86 crore and fourth interim dividend of ₹5.95 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	130.84	52.67
Profit after Tax	26.84	5.96

(ix) POWERGRID BHIND GUNA TRANSMISSION LIMITED (PBGTL)

PBGTL was acquired by POWERGRID on 11th September 2019 under Tariff based competitive bidding to establish transmission system for Intra-State Transmission Work associated with construction of 400 kV Substation near Guna & Intra-State Transmission Work associated with construction of 220 kV S/s near Bhind in Madhya Pradesh on Build, Own, Operate and maintain (BOOM) basis. The Company was granted transmission license in January, 2021 by MPERC. The project was commissioned on 7th October 2022.

As on 31st March 2023, PBGTL had an Authorized and Paid-up Share Capital of ₹120.42 crore and ₹111.95 crore respectively. PBGTL paid first interim dividend of ₹2.10 crore and second interim dividend of ₹2.35 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	32.77	0.01
Profit after Tax	9.18	(0.07)

(x) POWERGRID AJMER PHAGI TRANSMISSION LIMITED (PAPTL)

PAPTL was acquired by POWERGRID on 3rd October 2019 under Tariff based competitive bidding to establish transmission system for Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ on build, own, operate and maintain (BOOM) basis. The Company was granted transmission license by CERC on 4th March 2020. The project was commissioned on 6th May 2021.

As on 31st March 2023, PAPTL had an Authorized and Paid-up Share Capital of ₹125 crore and ₹115 crore respectively. PAPTL paid first interim dividend of ₹3.45 crore, second interim dividend of ₹3.80 crore and third interim dividend of ₹2.01 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	66.17	47.95
Profit after Tax	10.25	0.91

(xi) POWERGRID FATEHGARH TRANSMISSION LIMITED (PFTL)

PFTL was acquired by POWERGRID on 14th October 2019 under Tariff based competitive bidding to establish transmission system for Ultra Mega Solar Park in Fatehgarh, Distt. Jaisalmer Rajasthan on build, own, operate and maintain (BOOM) basis. The Company was granted transmission license by CERC on 4th March 2020. The project was commissioned on 1st September 2021.

As on 31st March 2023, PFTL had an Authorized and Paid-up Share Capital of ₹141.00 crore. PFTL paid first interim dividend of ₹4.23 crore, second interim dividend of ₹6.20 crore and third interim dividend of ₹2.96 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	77.73	36.71
Profit after Tax	12.86	2.26

(xii) POWERGRID BHUJ TRANSMISSION LIMITED (PBTL)

PBTL was acquired by POWERGRID on 16th October 2019 under Tariff based competitive bidding to establish transmission system for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat on build, own, operate and maintain (BOOM) basis. 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 3rd March 2020. All the project elements had been progressively commissioned by November 2022.

As on 31st March 2023, PBTL had an Authorised and Paid-up Share Capital of ₹236.00 crore and ₹232.00 crore respectively. PBTL paid total interim dividend of ₹0.70 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	66.11	0.01
Profit after Tax	2.31	(0.03)

(xiii) POWERGRID RAMPUR SAMBHAL TRANSMISSION LIMITED (PRSTL)

PRSTL was acquired by POWERGRID on 12th December 2019 under Tariff based competitive bidding to establish transmission System for construction of 765/400/220kV GIS Substation at Rampur and 400/220/132kV GIS Substation at Sambhal with associated Transmission Lines on build, own, operate and maintain (BOOM) basis. The Company was granted transmission license by UPERC in September 2020. The project was commissioned on 30th March 2023.

As on 31st March 2023, PRSTL had an Authorized and Paid-up Share Capital of ₹166 crore and ₹142.10 crore respectively.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	21.09	0.00
Profit after Tax	6.79	(0.06)

(xiv) POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED (PMSTL)

PMSTL was acquired by POWERGRID on 19th December 2019 under Tariff based competitive bidding to establish transmission system for Construction of 765/400/220 kV GIS Substation at Meerut with associated lines and 400/220/132 kV GIS Substation at Simbhaoli with associated Transmission lines on build, own, operate and maintain (BOOM) basis. The Company was granted transmission license by UPERC in September 2020. The project is partly under implementation.

As on 31st March 2023, PMSTL had an Authorized and Paid-up Share Capital of ₹208.00 crore and ₹195.13 crore respectively.

(xv) POWERGRID RAMGARH TRANSMISSION LIMITED (PRTL)

PRTL was acquired by POWERGRID on 9th March 2021 under Tariff based competitive bidding 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 31st May 2021. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹30 crore & ₹25 crore respectively.

(xvi) POWERGRID BIKANER TRANSMISSION SYSTEM LIMITED (PBTSL)

PBTSL was acquired by POWERGRID on 25th March 2021 under Tariff based competitive bidding 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 15th July 2021. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹115 crore and ₹100 crore respectively.

(xvii) POWERGRID SIKAR TRANSMISSION LIMITED (PSTL)

PSTL formerly known as Sikar New Transmission Limited was acquired by POWERGRID on 4th June 2021 under Tariff based competitive bidding 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 27th May 2022. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹95 crore and ₹80 crore respectively.

(xviii) POWERGRID BHADLA TRANSMISSION LIMITED (PBdTL)

PBdTL formerly known as Fatehgarh Bhadla Transco Limited was acquired by POWERGRID on 4th June 2021 under Tariff based competitive bidding 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 was granted transmission license by CERC on 25th November 2022. The project is under implementation.

As on 31st March 2023, the Company had an Authorized and Paid-up Share Capital of ₹51 crore and ₹32.21 crore respectively.

(xix) POWERGRID VEMAGIRI TRANSMISSION LIMITED (PVTL)

PVTL was acquired by POWERGRID on 18th April 2012 under Tariff based competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A). The transmission system comprising 765kV D/C lines which traverse the state of Andhra Pradesh and Telangana.

As on 31st March 2023, PVTL had an Authorized Share Capital and Paid-up Share Capital of ₹5 Lakh each.

CERC vide Order dated 6th 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.

(xx) POWERGRID HIMACHAL TRANSMISSION LIMITED (PHTL)

POWERGRID has acquired 74% stake on 25th 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 PHTL. The project was commissioned on 1st April 2012.

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 31st March 2023, the Authorized and Paid-up Share Capital of PHTL is ₹300 crore. PHTL paid first interim dividend of ₹18 crore, second interim dividend of ₹15 crore, third interim dividend of ₹27 crore and proposed final dividend of ₹15 crore for FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	134.77	136.43
Profit after Tax	49.69	51.28

(xxi) POWERGRID ALIGARH SIKAR TRANSMISSION LIMITED (PASTL)

PASTL formerly known as Sikar-II Aligarh Transmission Limited was acquired by POWERGRID on 8th June 2021 under Tariff based competitive bidding 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" on build, own, operate and maintain (BOOM) basis. The transmission system comprises establishment of a 765kVDC transmission line from Sikar to Aligarh and associated Substation extension works in the State of Rajasthan and Uttar Pradesh. The Company was granted transmission license on 28th May 2022 by CERC. The project is under implementation.

As on 31st March 2023, Company had an Authorised and Paid-up Share Capital of ₹100 crore and ₹77.95 crore respectively.

(xxii) 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 28th December 2020. This Subsidiary has been mandated to be acquired by Government of India.

As on 31st March 2023, the Authorised and Paid-up Share Capital of CTUIL is ₹1 crore and ₹0.05 crore respectively. CTUIL paid total interim dividend of ₹65 crore during FY 2022-23.

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	71.62	53.71
Profit after Tax	51.11	40.03

(xxiii) POWERGRID TELESERVICES LIMITED (POWERTEL)

POWERTEL was incorporated on 25th November 2021 as a wholly-owned Subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of POWERGRID.

Unified License agreement for service authorizations for National Long Distance (NLD), Internet Service Provider – A (ISP-A) & International Long Distance (ILD) was signed on 11th May 2023. Further, Infrastructure Provider-1 (IP-1) registration certificate has been received on 16th February 2023.

Legal counsel has been appointed by POWERGRID to assist in carrying out the proposed business transaction.

CERC, on 17th May 2023, has accorded the approval for undertaking of existing Telecommunications business of POWERGRID, through PowerTel.

As on 31st March 2023, the Authorised and Paid-Up Share Capital of PowerTel is ₹50 crore and ₹9 crore respectively.

(xxiv) POWERGRID ENERGY SERVICES LIMITED (PESL)

PESL was incorporated on 14th March 2022 as a wholly-owned Subsidiary of POWERGRID to undertake the Energy Management projects in India and Abroad.

PESL entered into two number agreements for Project Implementation services for Design, Engineering, Procurement, Supply, Erection, testing and Commissioning works to be taken up for Distribution Infrastructure works under RDSS in February 2023 with Jammu Power Distribution Corporation Ltd. (JPDCL) and Kashmir Power Distribution Corporation Ltd. (KPDCL) respectively in various districts of Jammu and Kashmir to be implemented in two years.

In its endeavor towards sustainability, POWERGRID Energy Services Limited has stepped into establishment of large-scale Solar Power Generation. As a first step an 85 MW Grid Connected Ground Mounted Solar PV Power Project at Nagda, Distt.-Ujjain, Madhya Pradesh is undertaken by POWERGRID Energy Services Limited (PESL) is under various stages of approval.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹10 crore each.

(xxv) POWERGRID NARELA TRANSMISSION LIMITED (PNTL)

PNTL, formerly known as Khetri-Narela Transmission Limited was acquired by POWERGRID on 11th May 2022 under Tariff based competitive bidding from 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-G", on build, own, operate and maintain (BOOM) basis. The Company was granted transmission license by CERC on 26th September 2022. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹50 crore and ₹1 lakh respectively.

(xxvi) POWERGRID GOMTI YAMUNA TRANSMISSION LIMITED (PGYTL)

PGYTL, formerly known as Mohanlalganj Transmission Limited, was acquired by POWERGRID on 30th May 2022 under Tariff based competitive bidding to establish transmission system for Construction of 400/220/132kV GIS Substation at Mohanlalganj (Lucknow) with associated 400kV lines, and other 765kV & 400kV LILLO lines at 765kV GIS Substation Rampur and 400kV LILLO (Quad Moose on Monopole) at 400kV GIS Substation at Sector 123 Noida. The Company was granted transmission license by UPERC on 20th December 2022. The project is under implementation.

As on 31st March 2023, PGYTL had an Authorized and Paid-up Share Capital of ₹70 crore and ₹1 Lakh respectively.

(xxvii) POWERGRID ER NER TRANSMISSION LIMITED (PENTL)

PENTL, formerly known as ER NER Transmission Limited was acquired by POWERGRID on 10th October 2022 under Tariff based competitive bidding to establish Transmission System for "System Strengthening Scheme for Eastern and North Eastern Regions" on Build, Own, Operate and Transfer (BOOT) basis. The Company was granted transmission license by CERC on 4th February 2023. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 lakh each.

(xxviii) POWERGRID NEEMUCH TRANSMISSION SYSTEM LIMITED (PNTSL)

PNTSL formerly Neemuch Transmission Limited was acquired by POWERGRID on 24th August 2022 under Tariff based competitive bidding to establish Transmission System for evacuation of Power from Neemuch SEZ on Build, Own, Operate and Transfer (BOOT) basis. The Company was granted transmission license by CERC on 27th December 2022. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹80 crore and ₹5 Lakh respectively.

(xxix) POWERGRID KHAVDA RE TRANSMISSION SYSTEM LIMITED (PKRETSL)

PKRETSL formerly known as Khavda RE Transmission Limited was acquired by POWERGRID on 21st March 2023 under Tariff based competitive bidding to establish Transmission Network Expansion in Gujarat associated with integration of RE projects from Khavda potential RE zone on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 lakh each.

(xxx) POWERGRID BHADLA SIKAR TRANSMISSION LIMITED (PBSTL)

PBSTL formerly known as Bhadla Sikar Transmission Limited was acquired by POWERGRID on 28th March 2023 under Tariff based competitive bidding to establish transmission system Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-E on Build, Own, Operate and Maintain (BOOM) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹1 lakh each.

(xxxi) POWERGRID DHARAMJAIGARH TRANSMISSION LIMITED (PDTL)

PDTL formerly known as Dharamjaigarh Transmission Limited was acquired by POWERGRID on 28th March 2023 under Tariff based competitive bidding to establish Western Region Expansion Scheme- XXVIII (WRES-XXVIII) & XXIX (WRES-XXIX) on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹1 lakh each.

(xxxii) POWERGRID KPS2 TRANSMISSION SYSTEM LIMITED (PKPS2TSL)

PKPS2TSL formerly known as KPS2 Transmission Limited was acquired by POWERGRID on 21st March 2023 under Tariff based competitive bidding for establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 lakh each.

(xxxiii) POWERGRID KPS3 TRANSMISSION LIMITED (PKPS3TL)

PKPS3TL formerly known as KPS3 Transmission Limited was acquired by POWERGRID on 21st March 2023 under Tariff based competitive bidding for establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 lakh each.

(xxxiv) POWERGRID KHAVDA II-B TRANSMISSION LIMITED (PKIIBTL)

PKIIBTL formerly known as KHAVDA II-B Transmission Limited was acquired by POWERGRID on 21st March 2023 under Tariff based competitive bidding for Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part B on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 lakh each.

(xxxv) POWERGRID KHAVDA II-C TRANSMISSION LIMITED (PKICTL)

PKICTL formerly known as KHAVDA II-C Transmission Limited was acquired by POWERGRID on 21st March 2023 under Tariff based competitive bidding for Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part C on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 lakh each.

(xxxvi) POWERGRID RAIPUR POOL DHAMTARI TRANSMISSION LIMITED (PRPDTL)

PRPDTL formerly known as Raipur Pool Dhamtari Transmission Limited was acquired by POWERGRID on 28th March 2023 under Tariff based competitive bidding to establish "Transmission System associated with Western Region Expansion Scheme -XXVII (WRES-XXVII)" on Build, Own, Operate and Transfer (BOOT) basis. The Company has filed petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, the Authorized and Paid-up Share Capital of PRPDTL is ₹1 lakh each.

(xxxvii) POWERGRID ERWR POWER TRANSMISSION LIMITED (PEPTL)

PEPTL formerly ERWR Power Transmission Limited was acquired by POWERGRID on 21st March 2023 under Tariff based competitive bidding to establish Transmission System for Transmission system strengthening scheme for 400/220/132 KV Jagdalpur sub-station of CSPTCL and 400/220 KV Jeypore sub-station of POWERGRID. The Company has filed a petition with CERC for grant of transmission license. The project is under implementation.

As on 31st March 2023, Company had an Authorized and Paid-up Share Capital of ₹5 Lakh each.

26. Consolidated financial statement of POWERGRID

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 a consolidated basis, the Total Income of the Company, during FY 2022-23, stood at ₹46,605.64 crore as against ₹42,697.90 crore during FY 2021-22, registering an increase of about 9.15%. Total Expenses for the year ended 31st March 2023 stood at ₹29,070.47 crore as against ₹25,957.32 crore for the year ended 31st March 2022. Profit after Tax during FY 2022-23 increased by 11% (excluding exceptional items) vis-a-vis FY 2021-22. A brief summary of the results on a consolidated basis is given below:

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Total Income	46,605.64	42,697.90
Profit before Exceptional items, Tax & Regulatory Deferral Account Balances	17,453.05	16,819.05
Profit after Tax	15,417.12	16,824.07
Net Cash from operating activities	38,004.74	26,123.52

27. Material developments in Human Resources / Industrial Relations

Please refer to Human Resource section of Director's Report for details.

For and on behalf of the Board of Directors


(K.Sreekant)

Chairman & Managing Director

DIN: 06615674

Date: 6th August, 2023

Place: Gurugram

Annexure-II to the Directors' Report

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A – General disclosures

SECTION B – Management and process disclosures

SECTION C – Principle-wise performance disclosure

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

SECTION A – GENERAL DISCLOSURES

Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L40101DL1989GOI038121
2.	Name of the company	Power Grid Corporation of India Limited
3.	Year of incorporation	1989
4.	Registered office address	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
5.	Corporate address	"Saudamini", Plot No.2, Sector 29, Gurugram, Haryana-122001
6.	E-mail	sustainability@powergrid.in
7.	Telephone	0124-2822999 / 0124-2822888
8.	Website	www.powergrid.in
9.	Financial year for which reporting is being done	FY2022-23 (1 st April 2022 to 31 st March 2023)
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)
11.	Paid-up Capital	₹ 6,975.45 Crore
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Shri A Nagaraju Executive Director (ESMD & CSR) Email ID: nagaraju1965@powergrid.in

13.	Reporting boundary	All the non-financial aspects of POWERGRID for this reporting period covers the business activities of POWERGRID on a consolidated basis. (ONLY covering the fully owned subsidiaries and excludes the Joint Ventures and Associate Companies for this reporting period) However, the financial performance wherever considered for any calculation/ reporting has been done on a consolidated basis which includes all JVs, Subsidiaries and Associates.
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Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Transmission of Power	POWERGRID primarily operates in Inter-state and Intra-state transmission of power in the country	97

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Transmission	3510	97

Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	272 substations*	12	284
International	For International Locations, the company provides only consultancy services to overseas clients and does not have any plants in international locations.	1	1

*Note The data excludes Pan India network of Telecom present in more than 3000 locations, substations and transmission lines that are presently under construction and temporary offices for consultancy works.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India – Across all the States and Union Territories of India
International (No. of Countries)	4 countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.103%

c. A brief on types of customers

The customers of the company's Transmission business are Designated Inter State Customers like state DISCOMs, generating companies, bulk consumers, railways etc. In addition, the company also provides consultancy services to domestic customers (state power utilities, DISCOMs, private entities, CPSEs, etc.) and international customers in more than 23 countries. Company provide telecom services Telecom Service providers, Govt departments, Public Sector utilities, Internet Service providers, Enterprises, large corporates etc.

Employees

18. Details as of the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	6618	6036	91.21%	582	8.79%
2.	Other than Permanent (E)	368	330	89.67%	38	10.33%
3.	Total employees (D + E)	6986	6366	91.13%	620	8.87%
WORKERS						
4.	Permanent (F)	1724	1626	94.32%	98	5.68%
5.	Other than Permanent (G)	14290	13603	95.19%	687	4.81%
6.	Total workers (F + G)	16014	15229	95.10%	785	4.90%

Note: Permanent employees includes all personnel on rolls of the Company excluding Workmen. 'Other than permanent employees' include those on fixed term contract. Permanent workers include workmen who are on rolls of the Company. 'Other than permanent workers' are engaged through third party contractors.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	171	155	90.64%	16	9.36%
2.	Other than Permanent (E)	5	5	100.00%	0	0.00%
3.	Total differently abled employees (D + E)	176	160	90.91%	16	9.09%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	52	52	100%	0	0.00%
5.	Other than permanent (G)	3	3	100%	0	0.00%
6.	Total differently abled workers (F + G)	55	55	100%	0	0.00%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	0	0
Key Management Personnel	11	0	0

Note: Key Management Personnel, includes whole-time directors, Company Secretary, Independent Directors as well as Government Nominated Directors

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.20%	3.16%	5.03%	4.98%	3.75%	4.88%	4.13%	2.33%	3.99%
Permanent Workers	6.43%	9.52%	6.61%	4.99%	4.39%	4.95%	5.87%	7.53%	5.96%

Holding, subsidiary and associate companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1.	POWERGRID Raipur Pool Dhamtari Transmission Limited	Subsidiary	100	Yes
2.	POWERGRID Dharamjaigarh Transmission Limited	Subsidiary	100	Yes
3.	POWERGRID ERWR Power Transmission Limited	Subsidiary	100	Yes
4.	POWERGRID Khavda RE Transmission Limited	Subsidiary	100	Yes
5.	POWERGRID KPS2 Transmission Limited	Subsidiary	100	Yes
6.	POWERGRID KPS3 Transmission Limited	Subsidiary	100	Yes
7.	POWERGRID Khavda II-C Transmission Limited	Subsidiary	100	Yes
8.	POWERGRID Khavda II-B Transmission Limited	Subsidiary	100	Yes
9.	POWERGRID Neemuch Transmission System Limited	Subsidiary	100	Yes
10.	POWERGRID Energy Services Limited	Subsidiary	100	Yes
11.	POWERGRID Teleservices Limited	Subsidiary	100	Yes
12.	POWERGRID ER NER Transmission Limited	Subsidiary	100	Yes
13.	POWERGRID Gomti Yamuna Transmission Limited	Subsidiary	100	Yes
14.	Central Transmission Utility of India Limited	Subsidiary	100	Yes
15.	POWERGRID Ramgarh Transmission Limited	Subsidiary	100	Yes
16.	POWERGRID Sikar Transmission Limited	Subsidiary	100	Yes
17.	POWERGRID Bhadla Transmission Limited	Subsidiary	100	Yes
18.	POWERGRID Aligarh Sikar Transmission Limited	Subsidiary	100	Yes
19.	POWERGRID Narela Transmission Limited	Subsidiary	100	Yes
20.	POWERGRID Bhadla Sikar Transmission Limited	Subsidiary	100	Yes

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
21.	POWERGRID Bikaner Transmission System Limited	Subsidiary	100	Yes
22.	POWERGRID Meerut Simbhavali Transmission Limited	Subsidiary	100	Yes
23.	POWERGRID Rampur Sambhal Transmission Limited	Subsidiary	100	Yes
24.	POWERGRID Ajmer Phagi Transmission Limited	Subsidiary	100	Yes
25.	POWERGRID Khetri Transmission System Limited	Subsidiary	100	Yes
26.	POWERGRID Fatehgarh Transmission Limited	Subsidiary	100	Yes
27.	POWERGRID Bhuj Transmission Limited	Subsidiary	100	Yes
28.	POWERGRID Bhind Guna Transmission Limited	Subsidiary	100	Yes
29.	POWERGRID Jawaharpur Firozabad Transmission Limited	Subsidiary	100	Yes
30.	POWERGRID Varanasi Transmission System Limited	Subsidiary	100	Yes
31.	POWERGRID Mithilanchal Transmission Limited	Subsidiary	100	Yes
32.	POWERGRID Medinipur Jeerat Transmission Limited	Subsidiary	100	Yes
33.	POWERGRID Southern Interconnector Transmission System Limited	Subsidiary	100	Yes
34.	POWERGRID Unchahar Transmission Limited	Subsidiary	100	Yes
35.	POWERGRID NM TRANSMISSION LIMITED.	Subsidiary	100	Yes
36.	POWERGRID Vemagiri Transmission Limited	Subsidiary	100	Yes
37.	POWERGRID Himachal Transmission Limited	Subsidiary	100	Yes
38.	Bihar Grid Company Limited	Joint Venture	50	Yes
39.	RINL Powergrid TLT Pvt. Limited	Joint Venture	50	Yes
40.	Butwal-Gorakhpur Cross Border Power Transmission Limited	Joint Venture	50	Yes
41.	Powerlinks Transmission Limited	Joint Venture	49	Yes
42.	Energy Efficiency Services Limited	Joint Venture	33.33	Yes
43.	Teesta Valley Power Transmission Limited	Joint Venture	30.92	Yes
44.	Torrent POWERGRID Limited	Joint Venture	26	Yes
45.	Parbati Koldam Transmission Company Limited	Joint Venture	26	Yes
46.	North East Transmission Company Limited	Joint Venture	26	Yes
47.	Cross Border Power Transmission Company Limited	Joint Venture	26	Yes
48.	Power Transmission Company Nepal Limited	Joint Venture	26	Yes
49.	National High Power Test Laboratory Private Limited	Joint Venture	20	Yes

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
50.	POWERGRID Kala Amb Transmission Limited	Associate	26	Yes
51.	POWERGRID Jabalpur Transmission Limited	Associate	26	Yes
52.	POWERGRID Warora Transmission Limited	Associate	26	Yes
53.	POWERGRID Parli Transmission Limited	Associate	26	Yes

CSR Details

22.

- Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
- Turnover (in Rs.) 45,581.28 Cr (**Consolidated basis**)
- Net worth (in Rs.) 83,014.51 Cr (**Consolidated basis**)

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-2023			FY 2021-2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks
Communities	Yes (https://www.powergrid.in/public-complaints-0)	179	0		224	0	
Investors & Stakeholders	Yes (https://www.powergrid.in/dispute-resolution-mechanism-stock-exchanges)	4183	0		3690	0	
Employees and workers	Yes. Grievance Redressal Mechanism is in place. The policy is only available for access of employees and workers.	49	0		36	0	
Customers	Yes (https://pms.powergrid.in/vms/login.aspx?ACT=GSTN)	-	-		-	-	
Value Chain Partners	Yes (https://pms.powergrid.in/vms/login.aspx?ACT=GSTN)	8	0		6	0	
Other (Vigilance)	Yes (https://tejas.powergrid.in/vigilance-complaints/)	71	7		49	6	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate change	Risk	- Extreme weather events such as enhanced intensity and frequency of Hurricanes, wind, floods and Rainfall caused by Climate Change may adversely impact our physical infrastructure. - Increasing ambient temperature is likely to reduce the current carrying capacity of conductors. - Climate Change leading to dryer weather and increased ambient temperature causes increased incidents of forest fires, which, in turn, poses additional risk to transmission lines passing through Forest area. - This phenomena will also have direct or indirect impact on the health of the workforce such as working in extreme climatic conditions would be detrimental to the health and could lead to loss in productivity	Adaptation: - Identify climate risks in the Risk Management Framework of the organization. - Identify and map areas/ locations vulnerable to climate risks. - Safeguard our workforce from impacts of extreme climatic change by taking reasonable measures. Mitigation: - Strengthening of existing infrastructure in vulnerable areas, in line with present climate scenario as well as future climate predictions. - Proper consideration and integration of present as well as future climate scenario in planning and design of upcoming transmission projects in Climate Vulnerable area.	Negative
2	Biodiversity/ Environment Protection	Opportunity	- Avoidance / minimization of Forest/Biodiversity rich areas result in timely project completion. - Avoidance of financial levies such as NPV, CA, Cost of medicinal plantation, payment of part project cost etc by avoiding/minimizing Forest/protected areas. - Reduced legal liability. - Enhanced public image and Natural Capital		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Water Management	Opportunity	- Reduced financial liability in the form of cost of water supplied by third party, reduced cost of energy for water extraction and reduced cost of wastewater management. - Opportunity to achieve the status of "Net Water Positive" organization by reducing water consumption and water conservation through Rainwater Harvesting and Groundwater recharge.		Positive
4	Energy Management	Opportunity	- Reduction in Energy consumption will lead to reduced financial liability. - Demand side management of energy will also lead to reduction in both Scope-I and Scope-II emissions. - On supply side, increased share of renewal energy will further reduce our Scope-II emissions.		Positive
5	GHG Emissions	Opportunity	- Achieving net-zero status by 2047 - Access to funds and loans at competitive rates - Greening of supply chain - Better stakeholder relations and public image		Positive
6	Waste Management	Risk	- Non-compliance with the applicable regulatory framework may attract penal action from regulatory bodies/Pollution control Boards - Failure to manage Hazardous waste properly pose a risk to our own establishment, property, manpower & environment. - Increased financial cost towards disposal of both Hazardous and Non-hazardous waste.	- Ensuring complete and non-negotiable compliance with all applicable regulations. - Utilizing all available opportunities for waste management through the cardinal principles of Reduce, Recycle and Reuse. - Training & Sensitization of employees. - Ensuring proper identification, segregation, containment and timely disposal of Hazardous waste.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Freedom of Association & Collective Bargain	Opportunity	POWERGRID exercises Freedom of Association and Collective Bargain which fosters positive employee relations and leads to open and constructive engagement with the management.		Positive
8	Employee Benefit Plan	Opportunity	POWERGRID values its employees and provides various employee welfare plans giving them a sense of care and security. These plans instil a feeling of job satisfaction and motivation in our employees. This is demonstrated by low attrition rates of our employees. We believe in investing in and retaining our talent pool hence promoting positive work environment		Positive
9	Occupational Health & Safety	Risk	- POWERGRID has large number of employees and workers working across several locations of the country. Ensuring safety of our workforce is crucial for our daily operations. - In addition to the physical and financial costs, each safety incident can also have a negative impact on the health, well-being, and morale of employees, as well as the company's reputation.	- We take all necessary precautions to ensure a safe and secure workplace. - We have a dedicated safety policy which drives our approach to assure safety of our employees. A safety cell is in place which regularly looks after and monitors these issues. - Regular safety audits are being done and workforce is given trainings and made aware to ensure self-safety	Negative
10	Human Rights	Risk	Due to constant evolvement of Labour Laws and Relations around the world and the sensitive nature of this issue, Human Rights is an inherent risk to any business	We have adequate policies in place that clearly states that human right violation is a very critical issue and will be dealt with repercussions.	

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			While all measures are in place to safeguard our workforce and related parties from any Human Right Violations, we understand that there still can be instances where these rights could be breached in ways not in our control and spectrum.	- There are channels provided to stakeholders to report any cases/concerns of any violations. - We stay updated with the latest developments in this space and comply with all the regulations	Negative
11	Diversity, Non-discrimination & equal opportunity	Opportunity	We believe in giving an equal and fair opportunity to every band of people and hiring talent from diverse backgrounds. Due to a diverse workforce, we bring in different and fresh perspectives to solve our business cases.		Positive
12	Human Capital Development	Opportunity	Investing in upskilling our workforce, increasing knowledge and potential and fostering innovation is a fundamental part in our company. It leads to employees taking up efficient and modern-day approach to solve our business issues and being an agile workforce.		Positive
13	Ethics & integrity	Opportunity	POWERGRID's organizational culture has ethical behavior ingrained in it. Ethics and values create a trustworthy working environment.		Positive
14	Regulatory Compliance	Opportunity	Timely compliance with the regulatory and statutory requirements ensures that going concern for the business is maintained. Mindful compliance helps us to handle risks associated with legal violations, environmental damage etc.		Positive
15	Sustainable Sourcing	Opportunity	Our sustainable sourcing approach helps us in collaborating with suppliers following sustainable procurement practices. By being environmentally responsible and sourcing resources in a sustainable manner, we can avoid supply chain disruptions caused due to unsustainable practices		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16	Transparency	Opportunity	Our active grievance redressal mechanism, policies around whistleblowing, sexual harassment etc. demonstrates our ability to address the concerns/queries of our stakeholders in an open and transparent way.		Positive
17	Technology & Innovation	Opportunity	POWERGRID believes in adopting latest technology in its business operations. With right technology and innovation maintain the role pioneer adopting technology in the power sector		Positive
18	Cybersecurity	Risk	- Lack of cybersecurity safeguards can lead to cyber-attacks which in turn lead to data breaches, disrupt operations and sometimes lead to legal liability. - Cybersecurity breaches can also lead to loss of productivity and can damage the company's reputation.	- Company has formulated Information Security policy and ensured processes in place for Cybersecurity & data privacy. - Company complies with ISO27001:2013 and meets all the applicable legal, statutory, regulatory and contractual requirements pertaining to cybersecurity	Negative
19	Community Relations	Opportunity	POWERGRID believes in giving back to the community and taking care of their rights and needs. As our major business involves acquiring land, we foster good relations with the locals there which ultimately leads to smooth working of our business		Positive

SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements. Details of the listed entity

S. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains

S. No.	Principle Description
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Requirements	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
Web Link of the Policies, if available	The Policies covering these principles are available on the Company's website under 'Policies' section. (https://www.powergrid.in/index.php/policies)								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	POWERGRID has framed various policies that conform to different applicable statutes/guidelines/rules/policies etc., issued by the Government of India from time to time. Some key certifications / standards adopted widely across the company are listed below: - ISO9001:2015 – Quality Management System - PAS 99:2012 – Integrated Management System - ISO 45001:2018 – Occupational Health & Safety Management System - SA8000:2014 – Social Accountability Standard - ISO 50001:2018 – Energy Management System - ISO14001:2015 – Environment Management System - ISO 27001:2013 – Information Security Management System								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	50% of electricity consumption from renewable sources by 2025 - Strive to become a net zero emission company by 2047. - Goal of becoming a Net Water Positive organization by 2030 - Aspire to achieve and maintain 'A Zero Waste to Landfill Corporate' status by 2030 - Aim to achieve and maintain "Zero Fatality" status								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Refer to Sustainability Strategy Chapter of the Integrated Report and Principle wise section of BRSR.								

Disclosure Requirements	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, Leadership, and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
Director’s Statement on BRSR									
As the Director (Projects) of Power Grid Corporation of India Limited, I am pleased to announce the publication of our first Business Responsibility and Sustainability Report (BRSR) (previously known as the Business Responsibility Report). The report has been prepared as per the formats provided by the Securities and Exchanges Board of India (SEBI).									
The BRSR is a comprehensive document that provides an overview of POWERGRID’s sustainability initiatives and performance. It covers a wide range of topics, including environmental protection, social development, and corporate governance.									
The publication of the BRSR is a significant milestone for POWERGRID. It demonstrates our commitment to transparency and accountability towards sustainability goals. It also shows our stakeholders that we are serious about sustainability and that we are taking concrete steps to improve our environmental and social performance.									
I would like to thank all our customers, suppliers, employees and other stakeholders for their support in helping us to achieve our sustainability goals. I would also like to thank the team that worked tirelessly to put together the BRSR.									
I am confident that the BRSR will help us to raise awareness of our sustainability initiatives and to build stronger relationships with our stakeholders. I am also confident that it will help us to continue to improve our environmental and social performance.									
POWERGRID is committed to operating in a sustainable manner. We believe that sustainability is essential to our long-term success and to the well-being of the communities we serve.									
Our sustainability initiatives include:									
- Adoption of Renewable energy for internal consumption as well as acting as a facilitator for the integration with the grid: We have committed to meeting 50% of our internal energy needs from renewable sources by 2025. We have already installed 8.2 MWp of solar capacity and replaced 67 diesel vehicles with electric vehicles. We are also playing a pivotal role in the grid integration of renewable energy projects across India. - Taking care of Water footprint We have adopted a water management policy that aims to achieve net water positivity by 2030. - Optimum Consumption of Natural Resources & Responsible Waste Management We are committed to using natural resources in an optimum and responsible manner. We are also working to reduce our waste generation and to recycle and reuse as much waste as possible. - Protecting & Creating Carbon sink We are committed to protecting and creating carbon sinks. We have reduced our involvement in forests by more than 60% in the past few years. We have also planted 656,702 trees, which will absorb 14,296 tons of CO2 annually. - Undertaking impactful CSR projects We spend 2% of our profit before tax (PBT) on socially relevant CSR projects. These projects focus on rural livelihood, education, health, environment, and skill development. - Proactive adoption of technology for Sustainability We are committed to adopting innovative technologies that can help us to reduce our environmental impact. For example, we are using multi-circuit towers, narrow base towers, and better conductors to reduce our land use and our impact on wildlife, replacement of synthetic oil with Ester oil for transformers, replacement of SF6 gas with more environment friendly gases, developing digital substations where optical fibres are used minimizing the usage of copper cables etc.									
I am proud of the progress that POWERGRID has made in sustainability. We are committed to continue working towards our sustainability goals and operate in a way that is beneficial to the environment and to the communities we serve.									
Abhay Choudhary Director (Projects)									

Disclosure Requirements	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Director (Projects)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Shri Abhay Choudhary, Director (Projects) Email: d.proj@powergrid.in								

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half Yearly/ Quarterly/ Any other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	NA	Y	Y	All reviews are conducted on a need basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	NA	Y	Y	All reviews are conducted on a need basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency*	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y	Y	Y	Y	Y	Y	NA	Y	Y

PricewaterhouseCoopers (PwC) has carried out independent assessment of the policies mentioned above.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	Principle 7- Responsible public policy advocacy
The entity does not consider the Principles material to its business (Yes/No)	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	No
It is planned to be done in the next financial year (Yes/No)	No
Any other reason (please specify)	POWERGRID is a member of various industrial and trade bodies and participates in these forums on issues and policy matters that impact its interests. Wherever required, we give our comments on various approach papers, consultation papers, draft regulations/ rules etc. issued by CERC, CEA, MoP, TRAI, MoEFCC and other authorities in a responsible and transparent manner.

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	Familiarization programs covering issues related to Safety, Health and Environment, Strategy/Industry Trends, Ethics & Governance and Legal & Regulatory matters and operations of the company.	50%
Key Managerial Personnel	3	Familiarization programs covering issues related to Safety, Health and Environment, Strategy/Industry Trends, Ethics & Governance and Legal & Regulatory matters and operations of the company.	45.45%
Employees other than BoD and KMPs (excluding Workmen)	622	Technical, Behavioral, Leadership, Wellbeing, Posh Act, Health & Safety etc.	85%
Workers (Workmen Employees)	232	Technical, Behavioral, Leadership, Wellbeing, Posh Act, Health & Safety etc.	94%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in FY 23.

The company has established a robust governance structure to ensure compliance with all the statutory regulations. There have been no fines, penalties or any other form of settlement/ punitive payment made during the year.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

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:

- 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.
- 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.
- 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.

Link for the above policies is <https://www.powergrid.in/code-conductpolicies?title=&page=1>

In addition, several initiatives have been taken / are being taken by POWERGRID to strengthen integrity, transparency and fairness in its business practices which includes the following:

- Well defined **"Delegation of Powers"** is in place delineating the powers of the top executives and below for carrying out work in systematic manner.
- "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.
- "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 subcontractors before employing under the Contract.
- POWERGRID, majorly, focuses on preventive, pro-active vigilance aiming at better transparency and to inculcate good governance within the organization.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23	FY 2021-22
Directors	0 (NIL)	0 (NIL)
KMPs	0 (NIL)	0 (NIL)
Employees	1	1
Workers	0 (NIL)	0 (NIL)

6. Details of complaints with regard to conflict of interest:

No complaints were received with regard to conflict of interest against Directors/ KMPs in FY23 and FY22.

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0 (NIL)		0 (NIL)	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0 (NIL)		0 (NIL)	

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

None.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.

POWERGRID has been demonstrating its commitment to environmental and social responsibility through a variety of activities that have an impact on its operation.

Some of the specific examples of such initiatives are mentioned below:

- **Substation Inspection Robot** has been taken up for development in collaboration with IIT Kanpur. Once deployed, it can reduce the risk of accidents and injuries for workers by replacing the traditional manual activities with robots.
- **Resin Impregnated Paper bushings** for 800 kV equipment has been developed and being deployed to prevent catastrophic damage to nearby equipment and can improve the safety of the employees in the unlikely event of bushing failure.
- **Digital substations:** Copper cables are replaced with Optical fibre Cables.
- Usage of **alternative to SF6** gas is being explored to minimise GHG emissions.

In addition, the significant capital expenditure of POWERGRID pertains to development of transmission infrastructure towards evacuation of renewable energy.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

POWERGRID follows a set of pre-defined processes and procedures towards sustainable sourcing for its various procurement needs. These processes and procedures are designed to ensure that POWERGRID's procurement activities are environmentally and socially responsible and that they comply with all relevant statutory requirements.

Some of the key elements of POWERGRID's sustainable procurement practices include:

Compliance with statutory requirements: POWERGRID requires all contractors to comply with all relevant laws and regulations related to pollution prevention, labor standards and occupational health and safety like The Environment (Protection) Act, 1986, The Air (Prevention and Control of Pollution) Act, 1981, The Water (Prevention and Control of Pollution) Act, 1974, Contract Labor (Regulation & Abolition) Act 1970, Employee's Compensation Act 1923, Equal Remuneration Act 1979, Minimum Wages Act 1948, Child Labor (Prohibition & Regulation) Act 1986 etc.

Development of an environmental management plan: Contractors that are awarded contracts for supply-cum-installation packages are required to develop and implement an environmental management plan. This plan must identify and assess the environmental impacts of the project and it must outline the measures that will be taken to mitigate these impacts.

Adoption of an Integrity Pact Program: POWERGRID has adopted an Integrity Pact Program, which is a legally binding agreement between POWERGRID and its contractors. The Integrity Pact commits the contractor to observe the highest standards of business ethics and it prohibits the contractor from engaging in corrupt or fraudulent practices.

In addition to the above, various sustainability related aspects are embedded in the contract entered with Vendors/ Contractors for its compliance during execution of work. Some of the aspects are as following:

- **Supplier Code of Conduct for Environmental standards for the suppliers' processes, products or services** –The Contractor is required to establish an operational system of managing environmental impacts and carry out all the monitoring and mitigation measures set forth in the environment management plan. Further, Contractors are also required to comply all requirements of Social Accountability Standards (SA8000).
- **Supplier Code of Conduct pertaining to Child Labor** is governed through provision for Child Labor (Prohibition & Regulation) Act 1986) in tender document. Further, Contractor is also required to comply all

requirements of Social Accountability Standards (SA 8000).

- **Supplier Code of Conduct pertaining to fundamental human rights** (e.g., labor, freedom of association) is governed through provision (Compliance with Labor Regulations) in tender document. Further, Contractor is also required to comply all requirements of Social Accountability Standards (SA8000) and comply all requirements of Integrity Pact executed for respective tender.

Considering the nature of procurement for large & complex technical transmission projects having stringent timelines for operation of the power system smoothly, each procurement under the respective project in POWERGRID is critical in nature. Therefore, each supplier undergoes various levels of scrutiny for capacity & capability analysis such as package-wise qualifying requirement, pre-defined events etc.

b. If yes, what percentage of inputs were sourced sustainably?

The above information outlines a defined procedure for sustainable sourcing, including supplier codes of conduct for environmental standards, child labor, and fundamental human rights. Contractors are required to comply with these codes, as well as with specific standards such as SA8000 and the Integrity Pact. Procurement for large and complex projects undergoes rigorous scrutiny to assess capacity and capability. It demonstrates that POWERGRID has comprehensive framework in place to ensure that sustainable sourcing practices are followed.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The company derives its guidance from waste management policy. The Company's waste management practices are centered towards Inventorization of the waste generated, segregation of waste generated in different categories; reduction of waste, calculation of the intensity of waste generation, recycling of the waste materials and reuse of the waste, wherever possible, for economic and environmental benefits; and at last disposal of the residual waste in the most environment-friendly manner.

Waste type	Waste management procedure in place
Plastic (including packaging)	The company has put in place the procedures for recycling and disposing all types of waste through government authorized recyclers and disposal sites, as applicable.
E-waste	
Hazardous waste	
Other waste (wastepaper and paper products)	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Nos. (B)	% (B / A)	Nos. (C)	% (C / A)	Nos. (D)	% (D / A)	Nos. (E)	% (E / A)	Nos.(F)	% (F / A)
Permanent employees											
Male	6036	6036	100%	6036	100%	NA	NA	6036	100%	NA	NA
Female	582	582	100%	582	100%	582	100%	NA	NA	NA	NA
Total	6618	6618	100%	6618	100%	582	100%	6036	100%	NA	NA
Other than Permanent employees											
Male	330	330	100%	330	100%	NA	NA	NA	NA	NA	NA
Female	38	38	100%	38	100%	38	100%	NA	NA	NA	NA
Total	368	368	100%	368	100%	38	100%	NA	NA	NA	NA

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Nos. (B)	% (B / A)	Nos. (C)	% (C / A)	Nos. (D)	% (D / A)	Nos. (E)	% (E / A)	Nos. (F)	% (F / A)
Permanent workers											
Male	1626	1626	100%	1626	100%	NA	NA	1626	100	NA	NA
Female	98	98	100%	98	100%	98	100%	NA	NA	NA	NA
Total	1724	1724	100%	1724	100%	98	100%	1626	100%	NA	NA
Other than Permanent workers											
Male	13603	13603	100%	13603	100%	NA	NA	NA	NA	NA	NA
Female	687	687	100%	687	100%	687	100%	NA	NA	NA	NA
Total	14290	14290	100%	14290	100%	687	100%	NA	NA	NA	NA

2. Details of retirement benefits.

We consider our human resources as our most crucial assets. We strive to provide them with an array of perks and benefits which include but are not limited to retirement benefits provided for all regular employees, provident fund, pension, gratuity, post-retirement medical benefits, etc.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	NIL*	100% of eligible workers	Y (wherever applicable)	NIL*	100% of eligible workers	Y (wherever applicable)
Medical facilities & Accident Insurance	100% of Permanent employees are provided medical facilities from the Company. 100% of Other than permanent employees are provided Group Personal Accident Insurance and Health Insurance.	100% of Permanent workers are provided medical facilities from the Company. 100% of Other than permanent workers who are not covered under ESI are provided Employee Compensation Insurance and Health Insurance.	NA	100% of Permanent employees are provided medical facilities from the Company. 100% of Other than permanent employees are provided Group Personal Accident Insurance and Health Insurance.	100% of Permanent workers are provided medical facilities from the Company. 100% of Other than permanent workers who are not covered under ESI are provided Employee Compensation Insurance and Health Insurance.	NA
Others- Pension	100% of permanent employees	100% of permanent workers	Y	100% of permanent employees	100% of permanent workers	Y
Others – Post-retirement medical benefits	100% of permanent employees	100% of permanent workers	NA	100% of permanent employees	100% of permanent workers	NA

* None of the employees (permanent or other than permanent) are eligible for ESI by virtue of their salary/ wages being over the prescribed wage limit for coverage.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, POWERGRID fosters an inclusive culture throughout the organization and takes special care to make its workplaces accessible. All the establishments of the company are accessible to differently abled employees and workers and are compliant with the requirements of the Rights of Persons with Disabilities Act, 2016.

The company further concretizes its commitment following an "Equal Opportunity Policy" framework including the aspects related to providing a conducive, barrier-free environment and systems for supporting differently employees and workers. We are also committed to conforming to the standards under Accessible India Campaign/ Sugamya Bharat Abhiyaan and thus have the facilities of ramp, disabled friendly elevators, etc. for divyangjan. We have also added extra accessibility on our website by making it with screen reader access.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

-Yes.

- Equal opportunity of the company promotes an inclusive workplace culture for all and appropriate actions are taken there on.

Link : https://www.powergrid.in/sites/default/files/inline-files/16_Equal_Opportunity_Policy_1.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate*	Return to work rate	Retention rate*
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

* Retention rate calculated as on end of FY 2022-23 for employees/ workers who availed parental leave in the FY 2022-23.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Grievance redressal has been one of the key priorities of our business setup. The company has adhered to its commitment, where it has always promptly redressed the grievances of its employees and other relevant stakeholders within the broad parameters of guidelines enumerated by the Government of India (and its agencies) and policy framework.

	(If Yes, then give details of the mechanism in brief)
Permanent workers	POWERGRID has a well-laid-out Grievance Redressal Mechanism for addressing the concerns of its permanent workers. A detailed procedure/ mechanism is in place for time bound redressal of worker grievance and to promote fair and equitable employee relations. Since FY 2020-21, we have shifted the employee grievances procedure online through the Employee Self-Service (ESS) Portal of the company.
Other than permanent workers	In respect of other than permanent workers, they may raise their grievances in writing/ through e-mail to the concerned authority. Further, the company believes in an open-door policy towards the redressal of employee grievances, including those of other than permanent workers.
Permanent employees	The entity has a well-laid-out Grievance Redressal Mechanism for addressing the concerns of its permanent employees. A detailed procedure/ mechanism is in place for time-bound redressal of employee grievances and to promote fair and equitable employee relations. Starting from FY 2020-21, employee grievances procedure has been moved online through Employee Self Service (ESS) Portal of the company.

	(If Yes, then give details of the mechanism in brief)
Other than permanent employees	In respect of other than permanent employees, they may raise their grievances in written/ through e-mail to the concerned authority. Moreover, the company believes in an open-door policy towards redressal of employee grievance, including those of other than permanent employees.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in the respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or Union (B)	% (B / A)	Total employees/workers in the respective category (C)	No. of employees/workers in the respective category, who are part of the association(s) or Union (D)	% (D / C)
Total permanent employees	6618	1036	16%	6649	1037	16%
Male	6036	986	16%	6089	987	16%
Female	582	50	9%	560	50	9%
Total permanent workers	1724	1724	100%	1887	1887	100%
Male	1626	1626	100%	1775	1775	100%
Female	98	98	100%	112	112	100%

Note: In addition to the above, employees belonging to SC/ ST/ OBC communities are also represented by various association.

8. Details of training given to employees and workers:

POWERGRID regularly conducts training on various aspects of health and safety, including safety in the construction of transmission lines and substations, operation and maintenance of transmission lines and substations, stress and health management, fire safety, and first aid.

POWERGRID also incorporated training on health and safety as part of all our contract documents. Contractors must comply with all health and safety-related guidelines for training. Safety training for contract workers is provided by POWERGRID's Corporate and Regional Safety Departments, and external faculties to familiarize them with safety aspects.

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F / D)
Employees*										
Male	6036	5306	87.90	5384	89.19	6089	5422	89.04	4637	76.15
Female	582	501	86.08	540	92.78	560	473	84.46	432	77.14
Total	6618	5807	87.74	5924	89.51	6649	5895	88.65	5069	76.23
Workers*										
Male	1626	1355	83.33	1510	92.86	1775	1437	80.09	1281	78.78
Female	98	69	70.4	93	94.89	112	76	67.85	89	90.81
Total	1724	1424	82.59	1603	92.98	1887	1513	80.18	1370	79.46

* Data is for Permanent Employees and Permanent Workers

- Total of 1207 nos. of safety trainings (employees including workers) conducted in FY2022-23
- Total 886 nos. of safety trainings (employees including workers) conducted in FY2021-22
- Total of 5374 nos. of safety training conducted for construction agency workers/staff. in FY2022-23
- Total of 5063 nos. of safety training conducted for construction agency workers/staff. in FY2021-22

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees*						
Male	6036	6036	100%	6089	6089	100%
Female	582	582	100%	560	560	100%
Total	6618	6618	100%	6649	6649	100%
Workers*						
Male	1626	1626	100%	1775	1775	100%
Female	98	98	100%	112	112	100%
Total	1724	1724	100%	1887	1887	100%

* Data is for Permanent Employees and Permanent Workers

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

POWERGRID is committed to the safety and well-being of its employees. The company has been certified under ISO 45001:2018, an internationally recognized Occupational Health & Safety Management System. This certification demonstrates POWERGRID's commitment to creating a safe and healthy workplace for all employees.

POWERGRID adheres to established norms and regulations on occupational health and safety. This includes implementing a comprehensive safety management system that covers all aspects of workplace safety, from hazard identification and risk assessment to training and emergency response. POWERGRID's commitment to safety extends beyond its own employees. The company also requires its contractors to adhere to the same safety standards. This ensures that all workers associated with POWERGRID are protected in a safe and healthy work environment.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

POWERGRID takes hazard identification and risk assessment (HIRA) very seriously as part of its proactive approach to occupational health and safety. The company conducts comprehensive surveys of the workplace to identify potential hazards that could pose a threat. This evaluation enables POWERGRID to assess the potential harm that could arise from exposure to these hazards. This information is then used to determine the specific personal protective gear and equipment necessary for each worker, as well as to prioritize the implementation of control measures.

POWERGRID employs a wide range of control measures to effectively mitigate risks associated with identified hazards. These measures include eliminating or substituting hazardous elements, implementing cutting-edge engineering controls, enforcing robust administrative controls, and providing high-quality personal protective equipment.

To ensure ongoing compliance and constant improvement, POWERGRID conducts routine and surprise visits. Diligent inspectors meticulously evaluate the implementation of all safety procedures. This unwavering commitment to monitoring and assessment ensures that any potential unidentified work-related hazards are promptly detected. In such instances, immediate action is taken to address and mitigate these risks, ensuring that the well-being of every employee remains safeguarded within POWERGRID's dynamic work environment.

c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the most common type of work-related hazards for the workers working on company projects is Electrocutation and working at height. To deal with both work-related hazards regular system-related confirmations/ permissions are obtained. The company strictly adheres to all the safety protocols in its operational activities. These procedures are followed both locally as well as on the worksites. We also follow 100% supervision policy for all our transmission projects where safety officers and supervisors are present.

d .Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, POWERGRID has empaneled top hospitals around its various establishments to ensure that our employees/ workers get access to the best-in-class medical facilities. The company also engages part-time medical consultants for various establishments/ townships to ensure that medical assistance is readily available to its employees and their dependents.

Details of safety related incidents, in the following format:

Safety incident/number	Category*	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0.10	0.05
	Workers	0.11	0.14
Total recordable work-related injuries	Employees	2	1
	Workers	10	12
No. of fatalities	Employees	0	0
	Workers	7	6
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workers	4	6

* Employees include all personnel on the payroll of POWERGRID. Workers include third party contractors. This definition is applicable to this table only.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

POWERGRID takes its responsibility for safety very seriously. The company has a three-tiered safety system in place to ensure that all applicable safety factors are taken into account during the design, construction, and operation and maintenance of its assets. The safety system includes a Safety Cell that promotes all safety measures for accident prevention in activities related to transmission lines and substations. The Safety Cell also monitors and reviews performance with respect to safety with all the regional offices.

In addition, safety audits, inspections, trainings, safety briefings, and mock-drills are carried out for all contract workers and the company's staff at various O&M and construction sites. Safety trainings are organized on various safety aspects such as fire safety, stress and health management, and first aid. Mock-drills are also organized at sites to prepare for any untoward incident, urgency, or emergency.

Daily safety briefings are conducted at all sites to discuss safety guidelines, accident preventive measures, and committee recommendations in language that workers can understand. This helps to educate them on the possible hazards associated with their work and how to mitigate them.

Safety day/week/fortnight celebrations involving employees, their family members, and contractual workers help to create awareness of the importance of safety at work and home.

Requisite safety precautions have been undertaken in all POWERGRID offices. Fire safety measures such as the installation of fire alarms, smoke detectors, and regular fire drills are ensured at all the company's establishments.

In short, POWERGRID is committed to providing a safe working environment for all its employees and contractors. The company has a comprehensive safety system in place to ensure that all safety factors are taken into account, and that employees are properly trained in safety procedures.

13. Number of complaints on the following made by employees and workers

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	2	0		0	0	
Health & safety	0	0		0	0	

14. Assessments for the year:

POWERGRID is certified under SA8000:2014, a globally recognized social accountability standard. The certification is awarded by third-party auditors who assess the company's compliance with a set of international labor standards. These standards address issues such as child labor, forced labor, discrimination, sexual harassment, and remuneration. POWERGRID also ensures that all of its offices have the necessary fire safety approvals and assessments from the fire department.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

The company has adhered to all health and safety practices outlined in its policies and statutory requirements. Any dangerous occurrences are investigated by an accident enquiry committee, which analyzes the reasons for the occurrence and suggests preventive measures to avoid future incidents.

The recommendations of the accident enquiry committee are widely circulated at all sites for implementation and learning. Additionally, all dangerous occurrences and safety aspects are reviewed by the Standing Safety Management Committee and the company's Apex Safety Board, which includes representatives from all regional offices and board level representatives of construction agencies. The committee discusses safety augmentations for implementation.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

At POWERGRID, fostering strong collaborative relationships with stakeholders is regarded as a cornerstone of its organizational philosophy. Recognizing the significance of understanding stakeholder needs and concerns, the company actively engages in cooperative efforts aimed at reducing risks, upholding social legitimacy, enhancing credibility, and earning stakeholders' unwavering confidence.

POWERGRID's stakeholder community encompasses a diverse range of key actors, including dedicated employees, trusted suppliers, valued customers, reliable business partners, vigilant regulatory agencies, and the local communities situated around their operational sites. Within these local communities, Power Grid diligently identifies and prioritizes support for disadvantaged, vulnerable, and marginalized sections, ensuring that no one is left behind in their pursuit of sustainable development.

Internally, POWERGRID places special emphasis on internal stakeholders, such as employees belonging to diverse backgrounds, including persons with disabilities (PWD), individuals from Scheduled Castes (SC), Scheduled Tribes (ST), and women. The company recognizes the immense value and potential these stakeholders bring, nurturing an inclusive work environment that promotes equal opportunities and encourages their active participation.

Externally, POWERGRID diligently identifies and supports project-affected persons/families (PAPs/PAFs) within the local communities. Their focus extends to particularly vulnerable groups, including widow women-headed families, individuals from SC/ST communities, and persons with disabilities (PWD). By addressing their unique challenges and empowering these external stakeholders, Power Grid strives to ensure equitable development and foster sustainable progress within the communities they serve.

Through this comprehensive and compassionate approach to stakeholder engagement, POWERGRID establishes itself as a responsible corporate entity committed to making a positive impact on the lives of those directly or indirectly affected by its operations. By actively involving stakeholders, POWERGRID not only enhances their own organizational effectiveness but also contributes to the broader goal of societal well-being and inclusive growth.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
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<For the detailed table. Please refer to the Stakeholder Engagement and Materiality Assessment Chapter of this Integrated Report at Page 49. >

Principle 5: Businesses should respect and promote human rights

Principle 5: Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	6618	6618	100%	6649	6649	100%
Other than permanent	368	368	100%	434	434	100%
Total employees	6986	6986	100%	7083	7083	100%
Workers						
Permanent	1724	1724	100%	1887	1887	100%
Other than permanent	14290	14290	100%	12941	12941	100%
Total workers	16014	16014	100%	14828	14828	100%

2. Details of minimum wages paid to employees and workers.

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)			No. (E)	% (E / D)	No. (F)
Employees										
Permanent										
Male	6036	0	0%	6036	100%	6089	0	0%	6089	100%
Female	582	0	0%	582	100%	560	0	0%	560	100%
Other than permanent										
Male	330	0	0%	330	100%	401	0%	0%	401	100%
Female	38	0	0%	38	100%	33	0%	0%	33	100%
Total employees	6986	0	0%	6986	100%	7083	0	0%	7083	100%

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)			No. (E)	% (E / D)	No. (F)
Workers										
Permanent										
Male	1626	0	0	1626	100%	1775	0	0	1775	100%
Female	98	0	0	98	100%	112	0	0	112	100%
Other than permanent										
Male	13603	13603	100%	0	NIL	12348	12348	100%	0	NIL
Female	687	687	100%	0	NIL	593	593	100%	0	NIL
Total workers	16014	14290	89.23%	1724	10.77%	14828	12941	87.27%	1887	12.73%

3. Details of remuneration/salary/wages.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	84,45,946	1	1,02,46,737
Key managerial personnel	7	83,78,926	1	1,02,46,737
Employees other than BoD and KMP	6614	21,86,632	609	21,28,041
Workers	1814	12,60,168	112	13,88,915

*Data is for Permanent Employee and Permanent Workers.

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

POWERGRID believes that growth and success of business multiplies when human rights and values are respected and protected. The Company has formulated its human rights policy to express & institutionalize its commitment to embrace practices that support human rights in every geography where it operates. Compliance to the human rights policy is ensured at the Offices/ Projects/ Stations/ Regions by the respective heads and at the Corporate Centre by Executive Director (HR). Executive Director (HR) is also the nodal officer for receipt of complaints/ grievances regarding human rights violation.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At POWERGRID, the reverence for the dignity and untapped potential of every individual lies at the core of their values. Recognizing that a steadfast commitment to human rights policy is paramount for both the growth and success of the business, POWERGRID aspires to achieve the following objectives:

- Upholding the Social and Economic Dignity: POWERGRID strives to preserve the social and economic dignity and freedom of its employees, irrespective of factors such as gender, race, social or economic status, or religion. By fostering an inclusive and equitable work environment, POWERGRID ensures that every individual is treated with respect, fairness, and equality.
- Commitment to Human Rights and Labor Standards: POWERGRID ardently respects and promotes its commitment to human rights and labor standards. Operating in accordance with the provisions enshrined in the Constitution of India, laws of the land and internationally recognized human rights to which India is a signatory, POWERGRID actively safeguards and upholds the fundamental rights of all individuals.

To further reinforce their dedication to human rights, POWERGRID has implemented a robust framework of internal mechanisms. The Executive Director (HR) serves as the nodal officer entrusted with the responsibility of receiving complaints and grievances related to human rights violations. In addition, the company has designated liaison officers to address discrimination-related complaints, established nodal officers under the Whistle Blower & Fraud Prevention Policy and instituted the Internal Complaints Committee (ICC) to

handle complaints pertaining to sexual harassment. By creating these specialized avenues for reporting and redressal, POWERGRID ensures that individuals have a platform to voice their concerns and seek resolution.

To complement these efforts, POWERGRID has also established dedicated departments, including the Vigilance Department and HR Department, which address complaints related to violations of the code of conduct. Through this multifaceted approach, POWERGRID reinforces its commitment to maintaining a work environment that fosters integrity, accountability and respect for human rights.

With this unwavering commitment to the principles of dignity, equality, and human rights, POWERGRID embraces a responsible and ethical business culture.

6. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	1	0		3	0	
Discrimination at workplace	8	0		2	0	
Child labour	0	0		0	0	
Forced labour/ Involuntary labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights-related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

For discrimination cases, liaison officers for different categories of employees i.e., SC/ ST/ OBC/ PwD have been identified to record and resolve their complaints as per laid down procedures. For prevention of sexual harassment at workplace, ICC has been formed at Corporate as well as regional level with responsibility of resolving harassment related complaints as well as prevent any kind of victimization of the complainant. Further, the company ensures implementation of these mechanisms under its broad set of policies on Human rights, Equal Opportunity, Prevention of Sexual Harassment, etc. as well as government guidelines. There is zero tolerance towards discrimination of any kind.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the company understands its larger responsibility towards its value chain partners with respect to Human rights related aspects and ensures that provisions related to it such as prohibition of child labor, prevention of forced and compulsory labor, payment of wages and other compliances related to labor laws are built into contracts with its value chain partners.

9. Assessments of the year

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	The company is certified under SA8000:2014, a globally recognized social accountability standard. The standard covers a range of workplace practices, including child labor, forced or compulsory labor, health and safety, discrimination, and remuneration. Audits for compliance with the standard are conducted by third-party auditors on a sampling basis.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

We had a clean reporting year with no instances of misconduct or discrimination, and we maintained our commitment to upholding moral working practices by complying with all applicable standards.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	12,40,542 GJ	12,31,111 GJ
Total fuel consumption (B)	1,81,717 GJ	1,92,281 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumption (A+B+C)	14,22,259 GJ	14,23,392 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	31.20 GJ/Rs Crore	34.19 GJ/Rs Crore

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	71,034	79,752
(ii) Groundwater	23,60,841	21,35,268
(iii) Third-party water (municipal water supplies)	3,45,793	5,07,191
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	27,77,668	27,22,211
Total volume of water consumption (in kilolitres)	27,77,668	27,22,211
Water intensity per rupee of turnover (water consumed / turnover)	60.93 KL/Rs Crore	65.40 KL/Rs Crore

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No (Y/N) If yes, name of the external agency.

NO

4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

Yes, POWERGRID has a mechanism in place to ensure Zero Liquid discharge, inspite of the fact that no industrial effluents are generated in our substations. Only a small quantity of domestic wastewater is generated in our substations, which is treated either by soak pits or Sewage Treatment Plants (STP) and reused in the campus itself. A tiny quantity of domestic sewage generated in a few offices located in urban areas is discharged in municipal sewerage system.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Not Applicable. It is pertinent to mention that in electric power substations, no chemical processes are involved, resulting in no generation of any air pollutants in our operations/establishments. The sole sources of air pollution in our substations are Diesel Generators, which are used as a backup arrangement and run occasionally only for testing purpose for very short duration, as our substations have two very stable source of auxiliary power i.e., Dedicated feeder from Discoms and a separate reliable power source from Grid Transformers.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – ozone-depleting substances (HCFC – 22 or R-22)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,19,517	1,21,026
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,37,554	2,35,954
Total Scope 1 and Scope 2 emissions per rupee of turnover		7.83 tCO ₂ eq/ Rs Crore	8.57 tCO ₂ eq/ Rs Crore

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

7. Does the entity have any project related to reducing greenhouse gas emissions? If Yes, then provide details.

Yes, following is one of our major projects to reduce GHG emissions and lesson our carbon footprint-

S.L.	Title	Description
1.	Background and purpose of the practice/ intervention	Considering the catastrophic impacts climate change can impose on human society, demands for urgent action on climate change grew even louder. Every section of society including consumers businesses and governments recognized the need to accelerate global efforts to reduce greenhouse gas emissions. POWERGRID shares this sense of urgency and is committed to play its part in the global transition by facilitating more and more clean energy. DG sets are a well-known source of both Air and Noise pollution, especially in Rural Areas. The CO ₂ emission of a diesel generator is between 2.4-2.8 kg CO ₂ /L depending on the characteristics of both the engine and the fuel. The average specific fuel consumption of a diesel generator is 0.33 L/kWh, so the CO ₂ emission generated by a diesel generator is estimated to be 0.8-0.93 kg CO ₂ /kWh.
2.	Technology/ Product/ Process / Practice details	POWERGRID has taken proactive measures towards Sustainability to mitigate the environmental impacts of use of DG sets. POWERGRID undertook a major & pioneering initiative to purposefully utilize induction power in earth wire for powering of telecom equipment. Under this, a technological arrangement of various modern equipment was placed on Transmission towers to tap the inductive power (acquired due to induction from conductors) present in earth wires of transmission lines for powering of telecom equipment. This will eliminate the use of DG sets, a constant source of pollution and GHGs emission. This initiative has already been approved by the regulator and is ready for implementation at a wider level. This initiative will also eliminate the location disadvantage of small towns towards accessibility and affordability of high-speed internet.

S.L.	Title	Description
3.	Implementing organizations	This innovative technology of reduction of future CO ₂ emanating from use of DG sets is a complete in-house initiative guided by our long-term Sustainability Goals as a result of collective efforts and outstanding teamwork of professionals from Telecom, Engineering, Environment & Social management department and Technology Development departments under the guidance of top Management of POWERGRID.
4.	Current status	This new technical initiative has been successfully implemented and mobile connectivity was demonstrated. The connectivity was improved at nearby sites without any interference. Currently, this initiative is planned to be implemented at various remote locations having low availability of power supply, with plan in place to suitably expand it in future.
5.	GHG emission reduction - Achieved/ projected	As discussed earlier, this technological innovation eliminates the use of polluting and GHG emitting DG sets for powering of telecom antennas. By doing so, it reduces the future GHG emission of around 40-50 t CO ₂ /year at each location.
6.	Financial details	At each location, installation of this technological innovation is estimated to cost around Rs 19-20 lakhs. The model is self-sustainable through replacement / eliminating the requirement of new telecom towers along with DG sets.
7.	Advantages and challenges	Advantages accrued as a result of the intervention: Saving of future GHG emission to the tune of 40-50 t CO ₂ /year/location. Significant saving for telecom service providers in terms of capital and operational cost of DG sets including the cost of manpower. Better rapport with stakeholders including Regulatory agencies, Policy makers and funding agencies. Challenges faced: Addressing technological roadblocks through focused R&D approach. Bringing team members from different departments on the same footing through proper co-ordination and handholding. Getting approval from the Regulator for commercial application. Future challenge is convincing the telecom service providers about the usefulness of the technology in the form of win-win situation it creates for all stakeholders both in terms of economic as well as environmental benefits.
8.	Scalability	This technological innovation is scalable and after getting approval from the Regulator, POWERGRID has developed a proper business plan to ensure its future expansion on a much wider scale, in consultation with state utilities and telecom service providers. Assuming the application of this innovation at 1000 locations, total saving on future CO ₂ emission to the tune of around 40,000-50,000 t CO ₂ /year is easily achievable.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	38.556	14.936
E-waste (B)	41.001	8.684
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	1425.974	342.327
Battery waste (E)	269.584	272.397
Radioactive waste (F)	Not Applicable	Not Applicable

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Other Hazardous waste. Please specify, if any. (G)	429.166 (Used Transformer Oil & STP Sludge)	776.579 (Used Transformer Oil & STP Sludge)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	9,131.31 Breakup of above figure: Steel Scrap - 2977.073 Aluminium Scrap - 1357.401 Insulator Waste - 4562.290 Waste Wood Material - 234.546	10907.665 Breakup of above figure: Steel Scrap - 3585.068 Aluminium Scrap - 1716.451 Insulator Waste - 5323.172 Waste Wood Material - 282.974
Total (A+B + C + D + E + F + G + H)	11335.591	12322.588
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Plastic Waste, E-Waste, Battery Waste, Other Hazardous Waste (Except STP Sludge), Metal Scrap & Insulator Waste	Plastic Waste, E-Waste, Battery Waste, Other Hazardous Waste (Except STP Sludge), Metal Scrap & Insulator Waste
(i) Recycled	9667.491	11,693.987
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Category of waste	Construction & Demolition Waste and Waste Wooden Material	Construction & Demolition Waste and Waste Wooden Material
(i) Recycled	Nil	Nil
(ii) Re-used	1,660.52	625.301
(iii) Other recovery operations	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	STP Sludge	STP Sludge
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	7.58 (Handed over to Authorized agency for Environmentally sound disposal)	3.30 (Handed over to Authorized agency for Environmentally sound disposal)
Total	11335.591	12322.588

Note by POWERGRID: As mentioned earlier, POWERGRID's activities don't involve any chemical process. As such, no process wastes are generated in its establishments. Most of the industrial wastes pertain to construction with occasional generation of wastes pertaining to Operation & Maintenance activities. Accordingly, no clear trend in the quantity of different kinds of waste produced would be possible.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **No**.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

POWERGRID's waste management practices are guided by the principles of Reduce, Recycle and Reuse, as defined in its Boards approved "Waste Management Policy". Accordingly, POWERGRID ensures proper recycling and reuse of the waste material generated in its establishment, while fully complying with all applicable regulations. Another important feature of our approach towards waste management is responsible consumption of resources, which not only results in preservation of precious natural resources, but also helps in reducing the quantity of waste materials generated.

POWERGRID's Waste Management Policy can be accessed at: <https://www.powergrid.in/policies>

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	LILO of 765 kV S/c Gr. Noida-Hapur line at Meerut involving 1.206 Ha. Of forest in the state of Uttar Pradesh.	Transmission Line	Yes
2	Construction of Approach Road From SH-65 to Proposed 400/220/132 kV GIS Sub-Station Simbhavali involving 0.018 Ha. Of forest in the state of Uttar Pradesh.	Approach Road	Yes
3	132 kV D/c Roing-Chapakhawa involving 15.034 ha of forest in the state of Arunachal Pradesh.	Transmission Line	Yes
4	400 kV Simbhawali-Muradnagar line involving 0.9844 Ha of forest in the state of Uttar Pradesh.	Transmission Line	Yes
5	Fatehgarh-II PS - Bhadla-II PS 765kV D/c line (2 nd Line) involving 0.2216 Ha of forest in the state of Rajasthan	Transmission Line	Yes
6	400 kV D/c Ramgarh II-Fatehgarh II Line involving 0.1794 ha of forest in the state of Rajasthan	Transmission Line	Yes
7	765 kV D/c Sikar-Aligarh Line involving 0.5293 ha of forest in the state of Uttar Pradesh.	Transmission Line	Yes
8	220 kV D/c Guna-Guna Line involving 24.1207 Ha of forest in the state of Madhya Pradesh.	Transmission Line	Yes
9.	Diversion work of 132KV S/C Haflong-Jiribam transmission line involving 9.23 Ha of Borail Wildlife Sanctuary in the state of Assam.	Transmission Line	Yes

Note: It may kindly be noted that avoidance of ecologically sensitive areas such National Parks, Wildlife Sanctuaries, Forest etc form the most important part of our route/site selection criteria. Accordingly, a mandatory Environmental and Social assessment is conducted for each of our project by studying at least three possible routes/sites and the most optimum route/site having the least Environment & Social impacts is selected as Final route/site. However, in few cases, wherein, complete avoidance of forest/wildlife areas is not possible in our Transmission Lines, due to peculiarity of terrain and geographical constraint, Forest/Wildlife clearance is obtained as per the provisions of applicable regulations.

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable. Transmission Projects are not covered under the purview of The EIA Notification of 1994 and 2006. Accordingly, Environmental Impact Assessment Study is not conducted for the same.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

POWERGRID is in compliance with all applicable laws/Regulations/guidelines pertaining to Environment and Forest.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

We have a total of 9 affiliations with trade and industry chambers and associations during the reporting period.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)	About the chambers
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National	A non-government, not-for-profit organization, FICCI is the voice of India's business and industry. It serves its members from the Indian private and public corporate sectors and multinational companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.
2	Confederation of Indian Industry (CII)	National	CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs. The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.
3	CII PSE Council	National	Part of CII as mentioned above.
4	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National	ASSOCHAM works as a conduit between industry and the Government. With more than 100 national and regional sector councils, It is an impactful representative of the Indian industry. It is driving four strategic priorities - Sustainability, Empowerment, Entrepreneurship and Digitisation.
5	PHD Chamber of Commerce & Industry (PHDCCI)	National	PHD Chamber of Commerce and Industry (PHDCCI) has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 117 years.
6	Central Board of Irrigation & Power (CBIP)	National	CBIP has been rendering dedicated services to the professional organization, engineers and individuals in the country related to Power, Water Resources and Renewable Energy Sectors for the last 90 years.
7	World Energy Council (WEC) India	National	A country member of World Energy Council (WEC), a global and inclusive body for thought leadership and tangible engagement in the pursuit of sustainable supply and use of energy.
8	India Infrastructure Forum (IIF)	National	The India Infrastructure Forum is an initiative from India Infrastructure Publishing, a leading provider of information, analysis, and insight on infrastructure sectors in India. The sectors we cover include energy, transportation, urban infrastructure and communications.
9	Power Foundation	National	The Foundation aims to be a credible think-tank and a leading policy advocacy body in the power sector and undertake pioneering efforts in commissioning independent and evidence-based studies in power sector.

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No such issues regarding anti-competitive conduct by the entity were reported during the year.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

During the reporting period, none of POWERGRID's project required SIA as no land was acquired involuntarily invoking provisions of 'Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013'. It may be noted that in the reporting period POWERGRID has either selected barren government land for constructing its substation or secured land through direct purchase on "Willing Buyer Willing Seller" basis at market/negotiated rate, as per provisions under Section-46 of RFCTLARR Act, 2013.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Refer to Annexure -X to Directors' Report (Annual Report on CSR Activities for FY 2022-23) for complete list of SIA carried out					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

During the reporting period, POWERGRID reiterated its commitment to responsible land acquisition practices. Whether it be securing government-owned land for its substations or voluntarily engaging in direct land purchases on a "Willing Buyer Willing Seller" basis at fair market or negotiated rates, the company ensures that all land acquisitions are carried out with utmost transparency and mutual consent. It is important to note that there have been no instances of involuntary land acquisition, thereby eliminating the presence of Project Affected Persons (PAP) or Project Displaced Persons (PDP). Consequently, the need for extensive Resettlement and Rehabilitation (R&R) activities has not arisen.

However, POWERGRID's dedication to social progress extends beyond land acquisition. Through its robust Corporate Social Responsibility (CSR) initiatives, the company proactively supports the broader community. These initiatives focus on uplifting the well-being and prosperity of the local communities, promoting sustainable development, and fostering positive social impact. By engaging in meaningful and impactful CSR endeavors, POWERGRID contributes to the holistic growth and welfare of the communities it operates in, establishing itself as a catalyst for positive change.

In summary, POWERGRID's land acquisition practices demonstrate its unwavering commitment to ethical and voluntary approaches. While ensuring the absence of involuntary displacement, the company extends its support to the community at large through impactful CSR initiatives, solidifying their role as a responsible corporate citizen dedicated to creating a sustainable and inclusive future.

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

In accordance with the broad principles of the policy framework and the parameters of the Government of India's stated guidelines, grievance redressal is always given top priority in the company. We have created an online interface through which employees may file grievances.

For systematic and fast settlement of grievances within predetermined time periods, the Company has established nodal officials at corporate and regional offices. To comply with GOI guidelines on reservation concerns for SC/ ST/ OBC/ Ex-servicemen/ PWD, a Reservation Cell has been established at both the corporate and regional levels.

The Company has also developed a Citizen's Charter that outlines its Vision, Mission, and Objectives in a clear and precise manner. This also includes the company's principles, commitments, expectations from citizens, integrated management policy, services offered, values and standards of services, access to information, and grievance redressal.

To further smoothen the relationship with community, we have developed an effective Grievance Redress Mechanism (GRM) to resolve any grievance of community/public. The GRM has two tiers, the first being Project/Substation level Grievance Redress Committee (GRC) and the second being the Corporate Level GRC chaired by the Director (Projects) of the company. All written and verbal complaints received by Project level GRC are to be resolved within 20 days of receipt of complaint. If the complainant is not satisfied with the outcome of the project level GRC, he/she can approach the Corporate Level GRC, which in turn, has to resolve the complaint/grievance within 45 days. Notice regarding Corporate Level GRC is publicly available and can be accessed at:

<https://www.powergrid.in/sites/default/files/inline-files/Notice-regarding-Corporate-Level-GRC.pdf>

Moreover, members of public can also directly raise their queries/questions/concerns with POWERGRID at: <https://www.powergrid.in/public-complaints-0>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers *	53.34%	51.07%
Sourced directly from within the district and neighboring districts	NA	NA

*Of the Total Eligible Procurement

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company has set up Unified Compliant Portal as one-stop solution for all consumer complaints. It receives and categorizes the complaints based on the departments/ locations concerned and expedites resolution.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	NA	NA		NA	NA	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive trade practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link to the policy.

- We have an Information Security Policy, of which, key pointers are publicly available at our corporate website, that focuses on:
- Protecting Critical Information & Critical Information infrastructure from unauthorized access, use, disclosure, modification, and disposal, whether intentional or unintentional.
- Maintaining Confidentiality, Integrity and Availability of Information related to organization's critical processes & systems together with sensitive / personal information of employees and other related third parties.
- Ensuring business continuity through systemic reduction of information security risks in all spheres of its business operations.
- Establishing, maintain and continually improve Information Security Management System (ISMS) complying with ISO27001:2013 and meeting all the applicable legal, statutory, regulatory, and contractual requirements

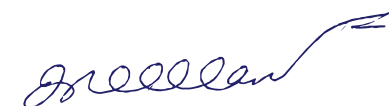
The company has also appointed a Chief Information Security Officer (CISO) to govern Information Security Department in the Company and to lead all of our cybersecurity initiatives. Information Security Management System ISO: 27001 certifications have been granted to the corporate offices of the company, all regional offices, and 265 substations

In addition, the Company works closely with designated statutory bodies: CERT-In and the NCIIPC. We follow the recommendations issued by these agencies from time to time and share them with other utilities in the transmission sector.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

No such instances have been reported during FY 2022-23.

For and on behalf of the Board of Directors



(K.Sreekant)

Chairman & Managing Director

DIN: 06615674

Date: 6th August, 2023

Place: Gurugram

Annexure-III to the Directors' Report

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

a) Energy conservation measures taken and on hand

POWERGRID 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 reduce losses.

Energy conservation measures are taken by POWERGRID at every step 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 & connectors are chosen after meeting stringent quality 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.

Roof top Solar plants are being installed in Sub-stations to reduce the dependency of auxiliary requirement on conventional sources. This is in accordance with POWERGRID's commitment to have 50% of its auxiliary power consumption by 2025 through renewable sources.

Water meters have been installed in Sub-stations to control the usage of water.

Water harvesting system have been provided in Sub-stations of your Company for proper recharge of ground water.

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. POWERGRID by virtue of its research initiatives is a part of International bodies like CIGRE, IEC, IEEE 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.

- Also, realizing the need for conservation of Right-of-Way (ROW) 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.
- Your Company has developed a design for suspension Guyed tower for 400kV D/C transmission lines. This Guyed tower occupies lesser footprint on ground and is light weight in comparison to conventional lattice towers and can be used in hilly terrain. Your Company has also developed steel Monopole with all phases on one side for use in areas having severe ROW constraints. Apart from the above your Company has also developed schemes for cable termination on lattice tower.
- Your Company has developed special foundations for towers in the snow avalanche area. These foundations have been provided with raised pedestals with tie beams all around at multiple levels and designed for impact loading due to snow avalanches.
- Keeping in view the Aatma Nirbhar Bharat Abhiyaan & Make in India initiative of Govt. of India, your Company has taken up indigenous vendor development of Emergency Restoration System (ERS) for emergency restoration of transmission lines.

Also, indigenous vendor development of Insulated crossarms for transmission lines upto 400kV voltage level has been taken up. Insulated crossarms shall enable compaction of transmission lines which may result in reduction in Right of Way requirement and tower weights by approx. 10-15%. This would also facilitate indigenous vendors to source these crossarms domestically.

- In 765/400kV Navsari GIS Substation following are adopted:
 - IEC 61850-9 based process bus is being implemented. This shall impact in reduction in quantity and cost of Control cables, reduction in commissioning time, ease in remote monitoring & Control.
 - Oil to SF6 Bushing and GIS Surge Arrester are being adopted to have adequate savings in Land requirement.

b) Technology Development

Specific areas where benefits derived are given below:

Completed Projects

- The 'POWERGRID Asset Life Management System - Circuit Breaker' for health indexing was developed completely in-house, towards comprehensive condition assessment of large population of Circuit Breakers which are geographically spread across the Country.
- Towards structural health assessment of transmission line towers, evaluation of strain in critical members of tower has been carried out during diverse loading conditions. Values of tension during stringing of conductor on transmission line were also recorded and analyzed.
- High resolution stereo satellite imagery was processed using advanced GIS software and logical algorithms to evaluate the presence and height of vegetation within the Right-of-Way of transmission line to avoid forced tripping.
- Pilot project for identification of vulnerable towers due to changing river courses (river meandering) using GIS software was successfully carried out.
- Your Company has developed the AI/ML based defect identification tool 'POWERGRID Asset Management through Artificial Intelligence in Transmission' (PG AMRIT) which has been integrated with transmission line patrolling platform 'POWERGRID Digital Application for Routine Patrolling & Assessment of Network' (PG-DARPAN). During patrolling of transmission line, various images are captured, which are then analyzed manually to identify defects. PG AMRIT automatically identifies the defects from tower photographs using AI/ML algorithms. This has helped in optimizing the efforts of line maintenance manpower and move the focus from defect identification to defect rectification.
- First 765kV RIP bushing in India has been taken into service by your Company in Line Reactor at Satna on 20th July, 2022.

7. Your Company has developed and launched 'Unique Digital Assessment of Asset Network' (UDAAN) platform - a unified data model for a bird's eye view of its entire asset network and associated KPIs. The platform integrates data from various sources such as ERP (asset maintenance records), NTAMC (operational data logs), PALMS (health index tool), PG-DARPAN (transmission line patrolling status) and other third-party sources for weather and grid parameter monitoring, thereby ensuring data democratization.
8. Your Company has started drone-based patrolling of transmission lines all across the regions of POWERGRID. During the Q1 of FY 2023-24, patrolling of 900 Route km of transmission line is under progress.
9. Methanol Marker Test Kit has been commissioned by your Company in December, 2022. This has made your Company the 4th utility worldwide to establish alcoholic marker test facility. This testing kit shall be helpful in early ageing detection of transformers/reactors and take proactive action to redress the same.
10. Your Company has Commissioned a Greenfield fully digital 220/66kV GIS Substation at Chandigarh with IEC 61850 Process Bus based Protection Automation and Control system. It significantly reduces the use of cables in EHV Sub-station thus resulting in safer working environment and lower carbon footprint. It has also resulted in enabling online testing of C&P schemes, thereby reducing outage durations and improving grid reliability.
11. Towards its efforts in adopting the Digital Worker concept, your Company has deployed the use of AR/VR based digital headgears in O&M related works. These headsets have enabled remote expert assistance in fieldworks, thereby leading to reduced downtime, knowledge transfer, higher safety and higher reliability in equipment performance.
12. Hotline Maintenance of transmission lines & Sub-stations have been carried out successfully by your Company by using Insulated Bucket. Hotline maintenance of transmission lines and Sub-stations has been carried out at 765kV & 400kV voltage levels. This technique of hot line maintenance is more safe and convenient.
13. For timely resolution of the hindrances in construction of the projects, your Company has also developed Digital Hindrance Register using SAP/ERP solution. It is accessible to vendors and the site executives. This has been launched in Q4 of this financial year on pilot basis for 2 ongoing projects.

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:
 - Siliguri – Bongaigaon 400kV D/c line
 - Jharsuguda/Sundargarh (PG) – Rourkela (PG) 400kV 2xD/c line
 - Rangpo – Gangtok 132kV D/c line
 - 2nd Circuit of Kishenpur – Dulhasti 400kV D/c
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 regulated tariff mechanism (RTM).
4. POWERGRID Centre of Excellence in Cyber Security at Indian Institute of Science, Bangalore has been established and continuous research, monitoring, development and demonstration of cyber security aspects in transmission and grid operation is being carried out.
5. Comprehensive seasonal measurement of Electromagnetic Field magnitude due to 400kV and 765kV transmission lines across diverse geographic regions is in progress to ascertain that their values are within the limits prescribed by International guidelines.
6. Substation Inspection Robot is being developed in collaboration with IIT Kanpur to facilitate automated routine and repetitive inspection of switchyard equipment as well as streamline data acquisition and processing.
7. Your Company has planned to convert 132kV Badarpur AIS Sub-station to Green GIS. This will be the first Green gas filled GIS in India. Under this initiative, Green gas shall be used as SF6 alternative in GIS equipment. This will help the commitment of Govt. of India of achieving the target of net zero emissions by 2070. Under this initiative, your Company has also planned for replacement of 3 sets of conventional 145kV Circuit Breakers at Imphal Sub-station with SF6 free circuit Breakers on pilot basis.
8. Your Company has planned to undertake retrofitting of a 132kV, 20 MVAR reactor at Aizawl with Natural Ester

oil. This shall result in several benefits such as reduced environmental impact, improved biodegradability resulting in improved fire safety and enhanced lifecycle.

9. Your Company has also undertaken a project to enable digitized and paperless working at its substations. The substation maintenance personnel are being equipped with rugged industrial tablets and associated work applications to digitalize their work processes, reduce work duplication and improve maintenance reliability. The application shall be seamlessly integrated with backend remote central servers for processing the necessary maintenance data.
10. Your Company has embarked upon the initiative to implement Reliability Centered Maintenance framework for its transmission assets. Various initiatives undertaken to implement the same include developing Health Indexing and Risk Index models for critical equipment such as Transmission Lines, Transformers and Reactors, Circuit Breakers etc. using integrated data from IT and OT sources.
11. Installation of Roof top / Ground mounted Solar Panel: Your Company has installed solar PV systems in its premises spread across the country. About 8.2 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 6.3 MWp is in process of planning/implementation. Established capacity of rooftop solar PV systems is reducing about 11,800 MT of CO₂ emission annually.
12. 220kV & 132kV Mobile GIS Bays are being procured to ensure:
 - a) reduction in outage time in case of major failure in substation bays.
 - b) uninterrupted supply in NER Region even in case of delay in commissioning of substation bays.
13. Your Company is under development of an integrated project management dashboard using a Business Intelligence (BI) tool and ERP/SAP which will provide valuable insights and visualizations to help monitor and manage projects effectively.
14. Your Company is implementing state-of-the art Static Synchronous Compensators (STATCOMs) to improve the grid reliability and voltage stability limit at Bhadla-II, Fatehgarh-II & Bikaner-II Substations in Rajasthan state.
15. To avoid Bird mortality due to collision/electrocution with power lines, your Company is installing bird diverters in the transmission lines passing through GIB area.
16. Your Company has developed and tested monopole structures which will go a long way in addressing RoW problem in densely populated urban areas. At present, we are also using these structures in construction of 765kV D/C Khetri-Narela line.

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 weak 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. Multi-level gantry have been used in GIS and AIS substations with multi-ckt. lines to optimize line corridor areas near substation.
3. Use of Transmission Line Arrestors (TLAs) has been adopted in areas which are highly prone to lightning like North Bengal and parts of Northeastern Region. This has helped to considerably reduce trippings on account of lightning in these transmission lines.
4. To reduce carbon emissions by DG set, a pilot project of Installation of Battery Energy Storage System (BESS) of 500kW, 250kWh is being installed in POWERGRID Township, Sector-43, Gurgaon.
5. Use of Geo Cell Technique in slope protection works added where expansive soil is encountered at Sub-station site.
6. Implemented precast firewalls for faster execution and better quality of work.
7. For Ladakh region, MoU has been signed with M/s DRDO for development of sustainable buildings and for creating safe accommodation, safe systems, to develop standard protocol for acclimatization for persons deployed at high altitude.

C. Foreign Exchange Earnings and Outgo

(₹ in Crore)

A. Actual foreign exchange outgo on account of:		
1.	Capital Goods & Spare Parts	367.72
2.	Professional & Consultancy Fees	10.49
3.	Interest	993.13
4.	Others	18.66
Total		1390.00

B. Actual foreign exchange earned towards:		
1.	Professional & Consultancy fee	46.64
Total		46.64

For and on behalf of the Board of Directors



(K. Sreekant)

Chairman & Managing Director

DIN: 06615674

Date: 6th August, 2023

Place: Gurugram

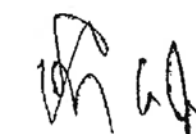
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2023 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 19 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2023 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



(Sanjay K. Jha)

Director General of Audit (Energy)

Place: New Delhi
Dated: 21 July 2023

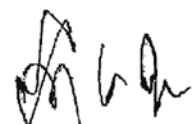
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2023 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 is 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 19 May 2023.

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 2023 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of 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, Teestavalley Power Transmission Limited and Butwal-Gorakhpur Cross Border 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 Auditors 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 auditor's report under section 143(6)(b) of the Act.

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



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

Place: New Delhi
Dated: 21 July 2023

Annexure I

List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements were audited by the Comptroller and Auditor General of India

Subsidiaries incorporated in India:

S No.	Name of entity
1	Powergrid NM Transmission Limited
2	Powergrid Vemagiri Transmission Limited
3	Powergrid Bhuj Transmission Limited
4	Powergrid Medinipur Jeerat Transmission Limited
5	Powergrid Rampur Sambhal Transmission Limited
6	Powergrid Southern Interconnector Transmission System Limited
7	Powergrid Fatehgarh Transmission Limited
8	Powergrid Himachal Transmission Limited
9	Powergrid Meerut Simbhavali Transmission Limited

Joint Ventures incorporated in India:

S No.	Name of entity
1	North East Transmission Company 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
Subsidiaries incorporated in India:

S No.	Name of entity
1	Powergrid Bhind Guna Transmission Limited
2	Powergrid Mithilanchal Transmission Limited
3	Powergrid Varanasi Transmission System Limited
4	Powergrid Jawaharpur Firozabad Transmission Limited
5	Powergrid Unchahar Transmission Limited
6	Central Transmission Utility of India Limited
7	Powergrid Ramgarh Transmission Limited
8	Powergrid Bikaner Transmission System Limited
9	Powergrid Sikar Transmission Limited
10	Powergrid Teleservices Limited
11	Powergrid Energy Services Limited
12	Powergrid Narela Transmission Limited
13	Powergrid Gomti Yamuna Transmission Limited
14	Powergrid Neemuch Transmission System Limited
15	Powergrid ER NER Transmission Limited
16	Powergrid ERWR Power Transmission Limited
17	Khavda RE Transmission Limited
18	Khavda II-B Transmission Limited
19	Khavda II-C Transmission Limited
20	Powergrid KPS2 Transmission System Limited
21	Powergrid KPS3 Transmission Limited
22	Raipur Pool Dhamtari Transmission Limited
23	Dharamjaigarh Transmission Limited
24	Bhadla Sikar Transmission Limited
25	Powergrid Bhadla Transmission Limited
26	Powergrid Aligarh Sikar Transmission Limited
27	Powergrid Khetri Transmission System Limited
28	Powergrid Ajmer Phagi Transmission Limited

Joint Ventures incorporated in India:

S No.	Name of entity
1	National High Power Test Laboratory Private Limited
2	Cross Border Power Transmission Company Limited
3	Bihar Grid Company Limited
4	RINL Powergrid TLT Private Limited
5	Energy Efficiency Services Limited

Annexure - V to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Power Grid Corporation of India Limited
CIN: L40101DL1989GOI038121
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** (hereinafter called "the Company"), having its Registered Office at **B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on, **March 31, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023**, 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) The 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, 2021 **(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 identified and confirmed by the management, the following law is specifically applicable to the Company based on the sector/ industry:

- (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 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 14th 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 27th 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 subject to the following observations:

- i. Half of the board of directors of the Company was not independent as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.
- ii. The Company did not have at least one independent woman director on its Board as required under Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 and at least one woman director with effect from June 1 2022 as required under section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except the observations under the Regulation 17(1) of SEBI (LODR) Regulations, 2015 mentioned above and in this regard the Company has received notices from BSE and NSE. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. 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 the company is done by Ministry of Power (administrative ministry) as per applicable Rules and Procedures.
3. Adequate notice(s) was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda 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 information and explanation 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) 1st interim dividend of Rs. 5.00 per equity share of Rs. 10/- each i.e., @50% of the paid-up equity share capital on 30th November, 2022.
 - b) 2nd interim dividend of Rs. 5.00 per equity share of Rs. 10/- each i.e., @50% of the paid-up equity share capital on 24th February, 2023.

- ii. Board in its meeting held on 19th May, 2023 has recommended a final dividend of Rs. 4.75 per share (i.e., @ 47.50% on the paid up equity share capital) for the financial year 2022-23 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- iii. During the period under review the Company has acquired 13 Companies under TBCB route.
- iv. The Company has issued bonds of Rs. 3,412/- Crore as per details mentioned below:-

Sr. No.	Type of Bonds	Amount (Rs. in crore)
1.	7.40% Unsecured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LXX Issue	2,120.00
2.	7.52% Unsecured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LXXI Issue	867.00
3.	7.56% Unsecured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LXXII Issue	425.00

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-

CS Naresh Kumar Sinha
(Proprietor)

FCS: 1807; C P No.: 14984

PR: 610/2019

FRN: S2015UP440500

UDIN: F001807E000699451

Place: Noida

Date: July 28, 2023

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

Annexure A

To,

The Members

Power Grid Corporation of India Limited

CIN: L40101DL1989GOI038121

B-9 Qutab Institutional Area,

Katwaria Sarai, New Delhi-110016

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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 and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-

CS Naresh Kumar Sinha
(Proprietor)

FCS: 1807; CP No.: 14984

PR: 610/2019

FRN: S2015UP440500

UDIN: F001807E000699451

Place: Noida

Date: July 28, 2023

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:

- 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.
- 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 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
	Committee for Bonds
Nomination and Remuneration Committee	Committee on Transfer/Split/Rematerialization etc. of shares
	Committee of Directors for New Businesses
Risk Management Committee	Committee for monetization of assets through Infrastructure Investment Trust (InvIT)
	Committee for TBCB Projects
CSR Committee	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.

Distribution of authority and powers within the organisation 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.

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 2022-23 have been detailed in this report.

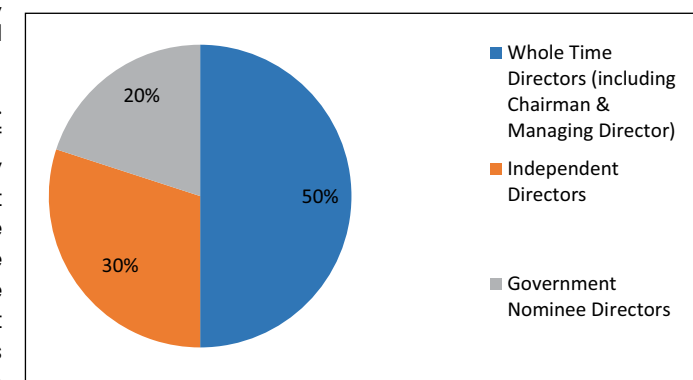
2. Board of Directors

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. 54 to 56.

As on 31st March, 2023, the Board of your Company comprised of ten Directors, five Whole Time Directors including the Chairman & Managing Director, two Government Nominee Directors and three Independent Directors.

The composition of Board of Directors i.e. at least 50% of the Board comprises of Independent Directors is not in conformity with SEBI (LODR). As the power to appoint the Directors on the Board vests with the Government India, the Company from time to time has been requesting administrative ministry i.e. Ministry of Power to appoint requisite number of Independent Directors including a independent woman director on the Board so as to ensure compliance with SEBI (LODR) and guideline of Department of Public Enterprises.



Relationship Between Directors

All the Independent Directors meet with the requirements specified under Section 149 (6) of the Act, 2013 and clause (b) of sub-regulation (1) of regulation 16 of SEBI (LODR) for holding the position of 'Independent Director' and None of the Directors of the Company is related to each other and are 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 31st March, 2023 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 (Personnel)	Dr. Vinod Kumar Singh (upto 31.05.2023)	01.02.2020
	Director (Projects)	Shri Abhay Choudhary	01.11.2020
	Director (Operations)	Shri R. K. Tyagi	12.08.2022
	Director (Finance)	Shri G. Ravisankar	21.09.2022
2. Government Nominees Part – time Directors	Government Nominee Directors	Shri Dilip Nigam®	06.06.2022
		Mr. Mohammad Afzal (upto 17.05.2023)	11.10.2022
3. Non-official Part-time Directors	Independent Directors	Shri Onkarappa K. N.	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 and again appointed as Government Nominee Director on 06.06.2022.

2.3. Board Meetings and Attendance

During FY 2022-23, twelve Board meetings were held on various dates – 1st May, 2022, 21st May, 2022, 6th July, 2022, 26th July, 2022, 8th August, 2022, 29th August, 2022, 26th September, 2022, 5th November, 2022, 17th December, 2022, 31st January, 2023, 6th March, 2023 and 23rd March, 2023. 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.

During FY 2022-23, the maximum interval between any two meetings was 45 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 Regulation 26 of SEBI [LODR] held by them during the FY 2022-23 are tabulated below.

Name of Director	No. of Board Meetings		Attendance at the last AGM (held on 29.08.2022)	No. of Directorship as on 31.03.2023 in other Companies	No. of Companies in which Membership or Chairmanship of Committee as on 31.03.2023 as per Regulation 26 of SEBI (LODR)*		Directorship held in other Listed Companies as on 31.03.2023 and category of Directorship	
	Entitled to attend	Attended			Chairmanship	Membership	Name of Companies	Category of Directorship
Whole Time Directors								
Shri K. Sreekant, CMD	12	12	Yes	08	NIL	NIL	NIL	NIL
Dr. Vinod Kumar Singh, Director (Personnel)	12	12	Yes	07	NIL	1	PTC India Limited	Nominee Director
Shri Abhay Choudhary, Director (Projects)	12	12	Yes	09	NIL	NIL	NIL	NIL
Shri R. K. Tyagi, Director (Operations) (w.e.f. 12.08.2022)	07	07	Yes	09	NIL	NIL	NIL	NIL
Shri G. Ravisankar, Director (Finance) (w.e.f. 21.09.2022)	06	06	N/A	05	NIL	1	NIL	NIL
Shri M. Taj Mukarrum, Director (Finance) (upto 31.07.2022)	04	04	N/A	N/A	N/A	N/A	N/A	N/A
Mrs. Seema Gupta, Director (Operations) (upto 31.05.2022)	02	02	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive Directors (Government Nominees)								
Shri Dilip Nigam, Advisor, MNRE – Government Nominee Director (upto 30.04.2022) & (w.e.f. 06.06.2022)	10	06	Yes	NIL	NIL	NIL	NIL	NIL
Mr. Mohammad Afzal Jt. Secy. – Government Nominee Director (w.e.f. 11.10.2022 to 17.05.2023)	05	04	N/A	04	N/A	1	1. NHPC Limited 2. PTC India Limited	1. Govt. Nominee Director 2. Govt. Nominee Director
Shri Madhav Rajendran Raghuraj, Jt. Secy. – Government Nominee Director (w.e.f. 05.08.2022 to 11.10.2022)	03	02	No	N/A	N/A	N/A	N/A	N/A
Shri Ghanshyam Prasad, Jt. Secy. – Government Nominee Director (w.e.f. 21.12.2021 to 14.07.2022)	03	03	N/A	N/A	N/A	N/A	N/A	N/A
Independent Directors								
Shri Onkarappa K.N.	12	12	Yes	01	02	03	NIL	NIL
Shri Chetan Bansilal Kankariya	12	12	Yes	00	01	02	NIL	NIL
Shri Ram Naresh Tiwari	12	12	Yes	01	NIL	04	NIL	NIL
Shri M. N. Venkatesan (upto 10.07.2022)	03	03	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

N/A indicates that concerned person was not a Director on that relevant date.

*Includes committee position in POWERGRID.

2.4. Skills / expertise / competencies of the Board of Directors.

Name of Director	Skills / Expertise / Competencies						
	Power Sector Expertise	Technical / Engineering	Financial Management	Leadership	Human Resource Management	Risk & Strategy Management	Environment, Research & Development
Shri K. Sreekant, Chairman & Managing Director	✓		✓	✓		✓	
Shri Abhay Choudhary, Director (Projects)	✓	✓		✓	✓	✓	✓
Shri R. K. Tyagi, Director (Operation)	✓	✓	✓	✓	✓	✓	✓
Shri G. Ravisankar, Director (Finance)	✓		✓	✓		✓	
Shri Dilip Nigam, Govt. Nominee Director	✓	✓	✓	✓	✓	✓	✓
Shri Saibaba Darbamura, Govt. Nominee Director	✓	✓	✓	✓	✓	✓	✓
Shri Onkarappa K. N., Independent Director	✓			✓	✓	✓	✓
Shri Chetan Bansilal, Kankariya, Independent Director	✓	✓	✓	✓	✓	✓	✓
Shri Ram Naresh Tiwari, Independent Director	✓			✓	✓	✓	✓

2.5. Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 20.06.2022. The meeting was attended by three Independent Directors and suggestions of remaining one Independent Director were taken on record during the meeting. 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.

2.6. 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:

- Annual operating plans and budgets and updates, if any.
- Annual Accounts, Directors' Report, etc.
- Quarterly financial results of the Company.
- Minutes of meetings of Audit Committee and other committees of the Board including minutes of Subsidiary Companies.
- Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
- Award of large Contracts.
- All related party transactions.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
- Declaration of independency by Independent Directors.
- Monthly Report on Commercial Status of the Company.
- Quarterly Report on Business Activities of various Subsidiaries Companies.

- Quarterly Report on Compliance of various laws.
- Quarterly Report on Compliance with Corporate Governance; Reconciliation of Share Capital Audit and Investors' Complaints.
- Report on the status of various ongoing projects/Scheme and Budget Utilization.
- Report on the O&M Review.
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
- Non-compliance of any Regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
- Short-Term investment of surplus funds.
- Other materially important information.

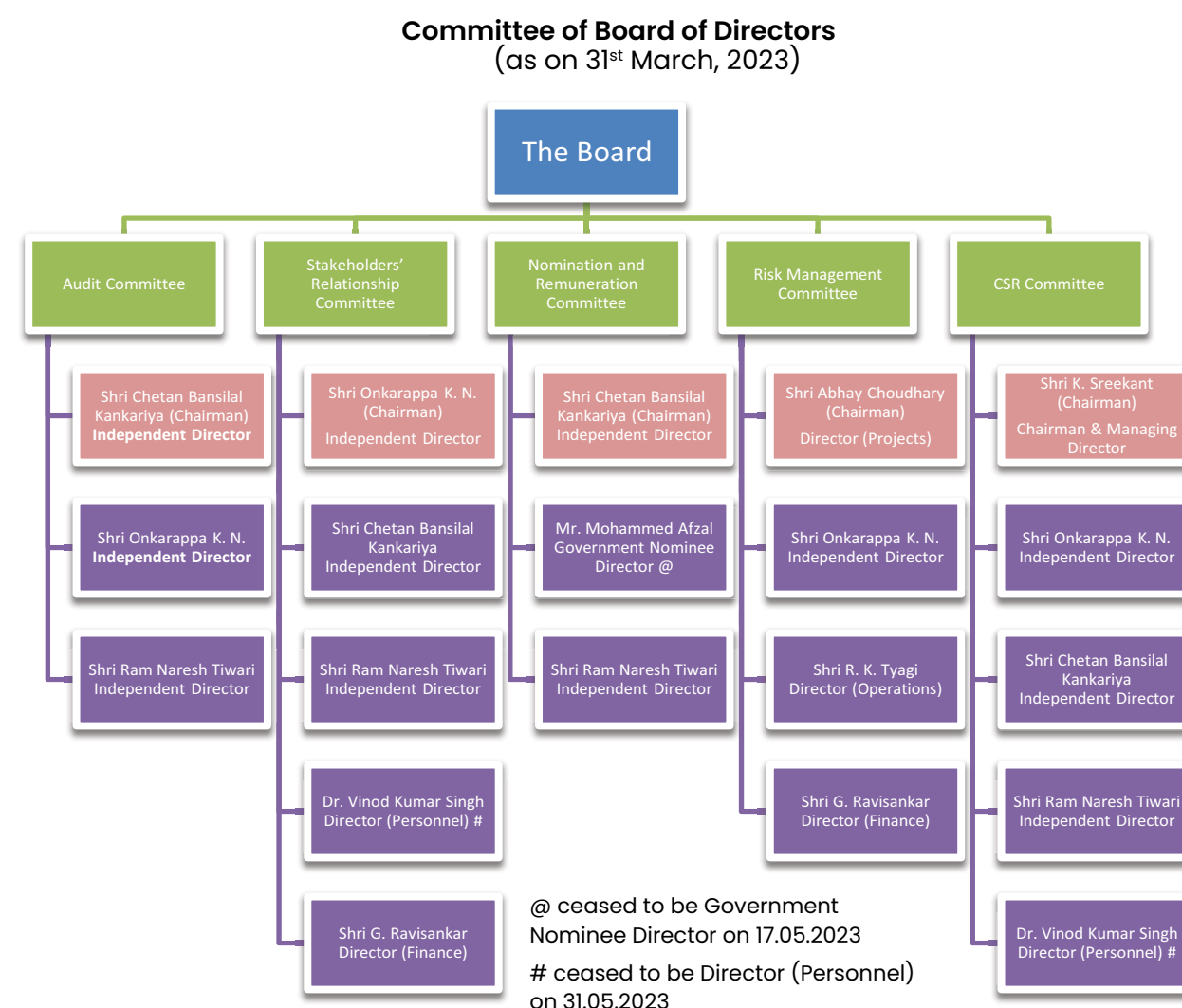
2.7. Post meeting follow-up system

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:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- CSR Committee



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 2022-23.

Attendance of Audit Committee Meeting during FY 2022-23:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri Chetan Bansilal Kankariya (w.e.f. 18.07.2022)	Chairman	14	14
Shri Onkarappa K. N.	Member	14	12
Shri Ram Naresh Tiwari (w.e.f. 18.07.2022)	Member	12	12
Shri M. N. Venkatesan (upto 10.07. 2022)	Chairman	02	02

The Company Secretary is the Secretary of the Committee.

Powers of Audit Committee

The powers of the Audit Committee include the following:

- To investigate any activity within its terms of reference.
- To seek information on and from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To protect whistle blowers.
- To consider other matters as referred by the Board.

Terms of Reference

The brief terms of reference of the Audit Committee are as under –

- 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.
- 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.
- 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:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications/modified opinions in the draft audit report.
- 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.
- 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.

- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- 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.
- Discussing with internal auditors and / or auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review / oversee the functioning of vigil mechanism / Whistle Blower mechanism of the Company.
- To review the follow up action on the audit observations in the Comptroller & Auditor General audit.
- To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board.
- Approval or any subsequent modification of transactions of the Company with related parties.
- 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.
- 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.
- Considering and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security; and
 - related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- Considering and reviewing the following with the management, internal auditor and the independent auditor:
 - Significant findings during the year, including the status of previous audit recommendations; and
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, whenever it is necessary.
- Evaluation of Internal Financial Controls and Risk Management Systems.
- 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.
- 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.
- 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:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transaction submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Certification/declaration of financial statements by the Chief Executive Officer/Chief Financial Officer.
- Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - 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. 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.

Two meetings of the Stakeholders' Relationship Committee were held during the FY 2022-23.

Attendance of Stakeholders' Relationship Committee Meeting during FY 2022-23:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri Onkarappa K. N.	Chairman	2	1
Shri Chetan Bansilal Kankariya	Member	2	2
Shri Ram Naresh Tiwari	Member	2	2
Dr. Vinod Kumar Singh (upto 31.05.2023)	Member	2	1
Shri G. Ravisankar	Member	2	2
Shri M. Taj Mukarrum (upto 31.07.2022)	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 2022-23, 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
A.	Complaints received from Statutory Bodies				
	SEBI	-	3	3	-
	Stock Exchanges	-	4	4	-
	Consumer Forum/Court cases	-	-	-	-
	Advocate Notices	-	1	1	-
B.	Dividends				
	Non receipt of dividend warrants	-	4,137	4,137	-
C.	Share certificates				

S. No	Description	Total			
		Opening Balance	Received	Attended	Pending
	Non receipt of share certificate	-	35	35	-
D.	Refund orders				
	Non receipt of refund orders	-	3	3	-
Total		-	4,183	4,183	-

SCORES is a centralized web-based complaints redressal system through which the investors 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]		Bonus Issue [2021]	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
As on 01.04.2022	5	1379	0	0	0	0	0	0
Transfers during the Financial year 2022-23	0	0	0	0	0	0	0	0
As on 31.03.2023	5	1379	0	0	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 Limited and the benefits accrued on them are being properly accounted for.

3.3. 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.

Two meetings of the Nomination and Remuneration Committee were held during FY 2022-23.

Attendance of Nomination and Remuneration Committee Meeting during FY 2022-23:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri Chetan Bansilal Kankariya (w.e.f. 26.09.2022)	Chairman	2	2
Shri Raghuraj Madhav Rajendran (w.e.f. 08.08.2022 to 11.10.2022)	Member	1	1
Shri Ram Naresh Tiwari	Member	2	2
Mr. Mohammed Afzal (w.e.f. 11.10.2022 to 17.05.2023)	Member	0	0
Shri Ghanshyam Prasad (upto 14.07.2022)	Member	1	1
Shri M. N. Venkatesan (upto 10.07. 2022)	Chairman	1	1

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 roles as specified in the Companies Act, 2013 (the act) / Regulation 19 read with Para (A) of Part D of Schedule II of the SEBI (LODR), including any amendments thereto from time to time, and such other roles/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) & para VIII of Schedule IV of the act 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.

3.4. Risk Management Committee

POWERGRID had constituted Risk Management Committee in line with the requirement of Regulation 21 of SEBI LODR.

Three meetings of Risk Management Committee were held during the FY 2022-23.

Attendance of Risk Management Committee during FY 2022-23:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri Abhay Choudhary	Chairman	3	3
Shri K. Sreekant*	Member	1	0
Shri R. K. Tyagi	Member	1	1
Shri G. Ravisankar	Member	1	1
Shri Onkarappa K. N.	Member	3	3
Mrs. Seema Gupta (upto 31.05.2022)	Member	1	1
Shri M. N. Venkatesan (upto 10.07.2022)	Member	2	2
Shri M. Taj Mukarrum (upto 31.07.2022)	Member	2	2

*Additional charge of Director (Operations) upto 12.08.2022.

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.

3.5. Corporate Social Responsibility (CSR) Committee

POWERGRID has constituted a CSR Committee in line with the requirements of Section 135 of the Act and Department of Public Enterprises' Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.

Eight meetings of the CSR Committee were held during the FY 2022-23.

Attendance of Corporate Social Responsibility (CSR) Committee during FY 2022-23:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri K. Sreekant	Chairman	8	8
Dr. Vinod Kumar Singh (upto 31.05.2023)	Member	8	8
Shri Onkarappa K. N.	Member	8	8
Shri Ram Naresh Tiwari	Member	8	8
Shri Chetan Bansilal Kankariya	Member	8	8

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. i) 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.

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 2022-23 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 2022-23 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	66,93,975	6,29,877	-	31,38,842	1,04,62,694
2.	Dr. Vinod Kumar Singh	Director (Personnel)	54,65,450	14,53,920	-	27,22,761	96,42,130
3.	Shri Abhay Choudhary	Director (Projects)	50,55,014	5,82,820	-	27,93,437	84,31,271
4.	Shri R. K. Tyagi (w.e.f. 12.08.2022)	Director (Operations)	35,62,883	7,03,374	-	22,50,927	65,17,184
5.	Shri G. Ravisankar (w.e.f. 21.09.2022)	Director (Finance)	24,21,684	3,13,456	-	19,66,560	47,01,700
6.	Shri M. Taj Mukarrum (upto 31.07.2022)	Director (Finance)	48,68,887	3,77,636	-	27,47,635	79,94,158
7.	Mrs. Seema Gupta (upto 31.05.2022)	Director (Operations)	40,17,075	69,902	-	31,79,958	72,66,935

The Government Nominee Directors on the Company's Board do not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company.

Notes:

- Performance Linked Incentives are payable to the Whole-time Directors as employees of the Company as per DPE Guidelines.
- 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 2022-23 are given below:

Independent Directors	Sitting Fee		Total (₹)
	Board Meeting (₹)	Committee Meeting (₹)	
Shri Onkarappa K. N.	4,80,000/-	8,10,000/-	12,90,000/-
Shri Chetan Bansilal Kankariya	4,80,000/-	11,40,000/-	16,20,000/-
Shri Ram Naresh Tiwari	4,80,000/-	7,50,000/-	12,30,000/-
Shri M. N. Venkatesan (upto 10.07.2022)	1,20,000/-	2,40,000/-	3,60,000/-

Shareholding of Directors

The details of shares of the Company held by the Directors as on 31st March, 2023 are given below:

Name of Directors	Designation	No. of Equity Shares Held
Shri K. Sreekant	Chairman & Managing Director	1,372

Name of Directors	Designation	No. of Equity Shares Held
Dr. Vinod Kumar Singh	Director (Personnel)	25
Shri Abhay Choudhary	Director (Projects)	1069
Shri R. K. Tyagi	Director (Operations)	58
Shri G. Ravisankar	Director (Finance)	101
Shri Dilip Nigam	Government Nominee Director	Nil
Mr. Mohammad Afzal	Government Nominee Director	Nil
Shri Onkarappa K. N.	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 (1)(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/sites/default/files/code_of_conduct_policies/06_Policy%20on%20Subsidiaries.pdf

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
2021-22	29-Aug-22	11:00 AM	Though Video Conferencing / other Audio Visual Means	- To approve the appointment of Shri Chetan Bansilal Kankariya (DIN:09402860) as an Independent Director. - To approve the appointment of Shri Onkarappa K. N. (DIN:09403906) as an Independent Director. - To approve the appointment of Shri Ram Naresh Tiwari (DIN: 09405377) as an Independent Director. - 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 2023-24 in up to twenty tranches/offers.
2020-21	24-Sep-21	11:00 AM	Though Video Conferencing / other Audio Visual Means	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	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.

Special Resolution passed through Postal Ballot

During FY 2022-23, 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 2022-23 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 A1+	CRISIL A1+
3	CARE	CERE AAA; Stable	CARE A1+	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 managerial 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 Subsidiary Company and web link of the policy is provided as under:
https://www.powergrid.in/sites/default/files/code_of_conduct_policies/06_Policy%20on%20Subsidiaries.pdf
- 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 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/sites/default/files/code_of_conduct_policies/11_Policy%20on%20Related%20Party%20Transactions.pdf
- 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, including one independent woman director on the Board.
- 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 2022-23, 2021-22 and 2020-21 including one independent woman director from July, 2021.
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.
- 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 2022-23, 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/sites/default/files/code_of_conduct_policies/POWERGRID_Whistle_Blower_and_Fraud_Prevention_Policy.pdf

- ix. The Financial Statements for FY 2022-23 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 w.r.t. corporate Governance Report 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 2022-23 Standalone is shown in 'Note 40-Other Expenses' under sub-head 'Payments to Statutory Auditors'.
- xiv. The Company / its subsidiary Company has not provided any loan / advances to firm / companies in which Directors are interested.
- xv. None of the Independent Director resigned during the financial year 2022-23.
- xvi. None of the securities of the Company have ever been suspended from trading.

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 G. Ravisankar, Director (Finance & CFO) was placed before the Board of Directors at the meeting held on 19th May, 2023.

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 at <https://www.powergrid.in/> and including the following:

Sr. No.	Details	Link
1	Quarterly/Half-yearly/Annual Financial Results	https://www.powergrid.in/annual-quarterly-results https://www.powergrid.in/annual-results
2	Quarterly shareholding pattern	https://www.powergrid.in/share-holding-pattern
3	Quarterly Corporate Governance Report	https://www.powergrid.in/corporate-governance
4	Corporate disclosures made from time to time to Stock Exchanges	https://www.powergrid.in/meetingsnotices

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	30.06.2022	09.08.2022	Hindustan Times, Mint, Dainik Jagran, Millenium Post.
		10.08.2022	Times of India, Economic Times, Business Standard, New Indian Express, Mid Day.
		August, 2022 issue	Magazine - Dalal Street, Business Today.
		August, 2022	Website- Zeebiz.com , livemint.com
2	30.09.2022	07.11.2022	Times of India, Economic Times, Hindustan Times, Mint, Financial Express, Amar Ujala, Business Line.

Publication of Financial Results in Newspapers & Magazine.			
Sl. No.	Publication of Financial Results for the quarter ended	Date(s) of publication	Newspapers & Magazine
3	31.12.2022	01.02.2023	Financial Express, The Statesman, Free Press Journal.
		02.02.2023	Times of India, Economic Times, Hindustan, Hindustan Times, Mint, New Indian Express.
		Feb, 2023 issue	Magazine- Dalal Street
		March, 2023 issue	Magazine - Wealth Insight
		Feb 2023	Website - TOI.com & ET.com Sarkaritel.com
4	31.03.2023	20.05.2023	Times of India, Amar Ujala, Economic Times, Business Line, Hindustan Times, Mint, The Statesman, Business Standard (English & Hindi), Free Press Journal, Navshakti, Millenium Post.
		22.05.2023	
		May, 2023 issue	Magazine - Business Today, Outlook, Business + Outlook (Hindi), Nivesh Manthan.
		May, 2023	Website - Moneycontrol.com , Livemint

These Results are also displayed at Company's website at: <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 of the Company and can be accessed at:

<https://www.powergrid.in/investors-relations> and <https://www.powergrid.in/financials-presentations>

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 31st March, 2023.

sd/-
(K. Sreekant)
Chairman & Managing Director

Place: Gurugram
Date: 6th August, 2023

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 2022-23.	1
2.	Number of Complaints disposed of during FY 2022-23.	1
3.	Number of Complaints pending as on end of the FY 2022-23.	0

14. Particulars of senior management and change therein during FY 2022-23

Sr. No.	Name	Designation (ED/CFO/ Company Secretary)	Date of assumption of charge	Date of cessation
1.	Ram Naresh Singh	ED	14-09-2015	-
2.	Subir Sen	ED	14-09-2015	-
3.	Sunil Agrawal	ED	01-03-2016	31-03-2023
4.	Rajiv Kumar	ED	21-06-2017	30-06-2022
5.	Upendra Pande	ED	21-06-2017	-
6.	A. K. Singhal	ED	01-08-2017	31-03-2023
7.	S. Ravi	ED	14-08-2018	31-05-2022
8.	B. Anantha Sarma	ED	18-01-2019	-
9.	K. K. Srivastava	ED	17-12-2019	30-06-2022
10.	P. V. Nath	ED	17-12-2019	30-11-2022
11.	A. K. Mishra	ED	17-12-2019	-
12.	Rajesh Kumar	ED	17-12-2019	-
13.	Anoop Kumar	ED	01-02-2020	30-06-2022
14.	Mahendra Kumar Singh	ED	04-05-2020	31-10-2022
15.	Ravindar Kumar S	ED	02-09-2020	30-11-2022
16.	Asit Kumar Maiti	ED	02-09-2020	31-12-2022
17.	Kailash Rathore	ED	02-09-2020	31-01-2023
18.	Pramod Kumar	ED CFO	02-09-2020 08-08-2022	30-06-2023 26-09-2022
19.	Satish Chandra	ED	02-09-2020	-
20.	A. Anand	ED	02-09-2020	-
21.	R. K. Tyagi Joined the post of Director (Operation)	ED	02-11-2020	12-08-2022
22.	Bimlendu Shekhar Jha	ED	03-11-2020	31-08-2022
23.	P. C. Garg	ED	01-12-2020	-
24.	Naveen Srivastava	ED	16-01-2021	-
25.	Y. K. Dixit	ED	01-02-2021	-
26.	Ashok Pal	ED	01-03-2021	-
27.	S. C. Agrawal	ED	05-08-2021	30-11-2022
28.	A. P. Gangadharan	ED	05-08-2021	30-04-2023
29.	P. Jayachandran	ED	05-08-2021	31-05-2023
30.	Arun K Mishra	ED	05-08-2021	-
31.	Mukesh Khanna	ED	05-08-2021	-
32.	Alok .	ED	05-08-2021	-
33.	A. Barat	ED	05-08-2021	-
34.	R. Nagpal	ED	01-10-2021	30-04-2023

Sr. No.	Name	Designation (ED/CFO/ Company Secretary)	Date of assumption of charge	Date of cessation
35.	Surendiran A	ED	01-11-2021	31-08-2022
36.	J. Mazumder	ED	06-07-2022	31-01-2023
37.	Rajesh Srivastava	ED	06-07-2022	-
38.	Purshottam Agarwal	ED	06-07-2022	-
39.	A. Nagaraju	ED	06-07-2022	-
40.	G. Ravisankar Joined the post of Director (Finance)	ED CFO	06-07-2022 26-09-2022	21-09-2022 -
41.	Tarun Bajaj	ED	06-07-2022	-
42.	Dr. Yatindra Dwivedi	ED	06-07-2022	-
43.	Vikram Singh Bhal	ED	12-08-2022	-
44.	Krishna Kumar T. R.	ED	01-09-2022	-
45.	Adish Kumar Gupta	ED	01-09-2022	-
46.	Narendra Kumar Sharma	ED	28-09-2022	31-10-2022
47.	D. N. Rozekar	ED	01-11-2022	-
48.	Anoop Singh	ED	01-12-2022	-
49.	Burra Vamsi Rama Mohan	ED	01-12-2022	-
50.	Subhash C Taneja	ED	01-01-2023	31-05-2023
51.	Rajil Srivastava	ED	01-01-2023	-
52.	Mrinal Shrivastava	Company Secretary	01-07-2020	-

15. General Shareholders' Information

i. Annual General Meeting

Date: 30th August, 2023

Time: 11:00 AM

Venue: Ministry of Corporate Affairs (MCA) has vide Circular dated 28th December, 2022 and SEBI vide Circular dated 5th January, 2023 has permitted to conduct Annual General Meeting (AGM) 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 1st April to 31st March.

iii. Payment of Dividend

The Board of Directors of the Company recommended final dividend of ₹4.75 per share 47.5% for FY 2022-23. In addition, 1st interim dividend of ₹5 per share (50%) and 2nd interim dividend of ₹5 per share (50%) were paid on 30th November, 2022 and 24th February, 2023, respectively.

The record date for payment of Final Dividend for FY 2022-23 is 8th August, 2023.

iv. Dividend History

Year	Total Paid-up Capital as on 31 st March of the Year (₹ in Crore)	Total Amount of Dividend Paid for the Financial Year (₹ in Crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
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

Year	Total Paid-up Capital as on 31 st March of the Year (₹ in Crore)	Total Amount of Dividend Paid for the Financial Year (₹ in Crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
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	10,288.79	29.08.2022	20.09.2022
2022-23	6,975.45	3487.73^	05.11.2022^^	30.11.2022^^^
2022-23	6,975.45	3487.73^	31.01.2023^^	24.02.2023^^^

^Amount of Interim Dividend

^^Date of Board Meeting declaring Interim Dividend

^^^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 (Accounting, Audit, Transfer and Refund) Rules, 2016 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
Shri Mrinal Shrivastava Company Secretary Email: mrinal@powergrid.in	Shri Arup Samanta Deputy General Manager Email: arupsamanta@powergrid.in

vi. Listing on Stock Exchange

POWERGRID equity shares are listed on the following Stock Exchanges:

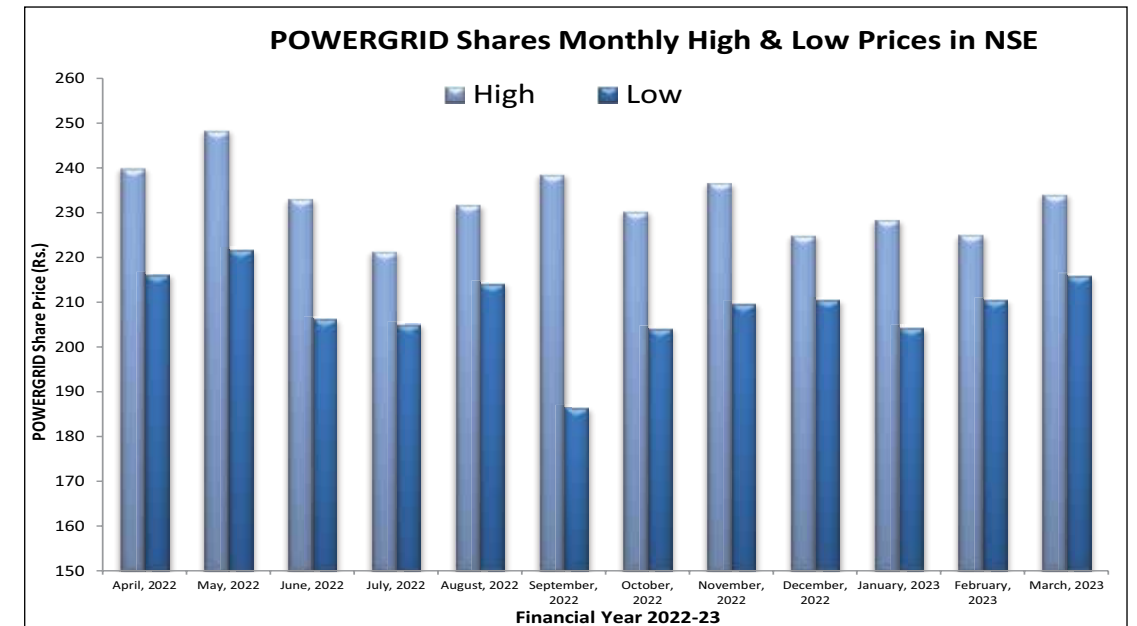
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Scrip Code : POWERGRID EQ	Scrip Code: 532898
Stock Code: ISIN – INE752E01010	

The payment of annual listing fee for the FY 2022-23 was made to National Stock Exchange of India Limited and BSE Ltd.

vii. POWERGRID's Shares Market Price Data – NSE

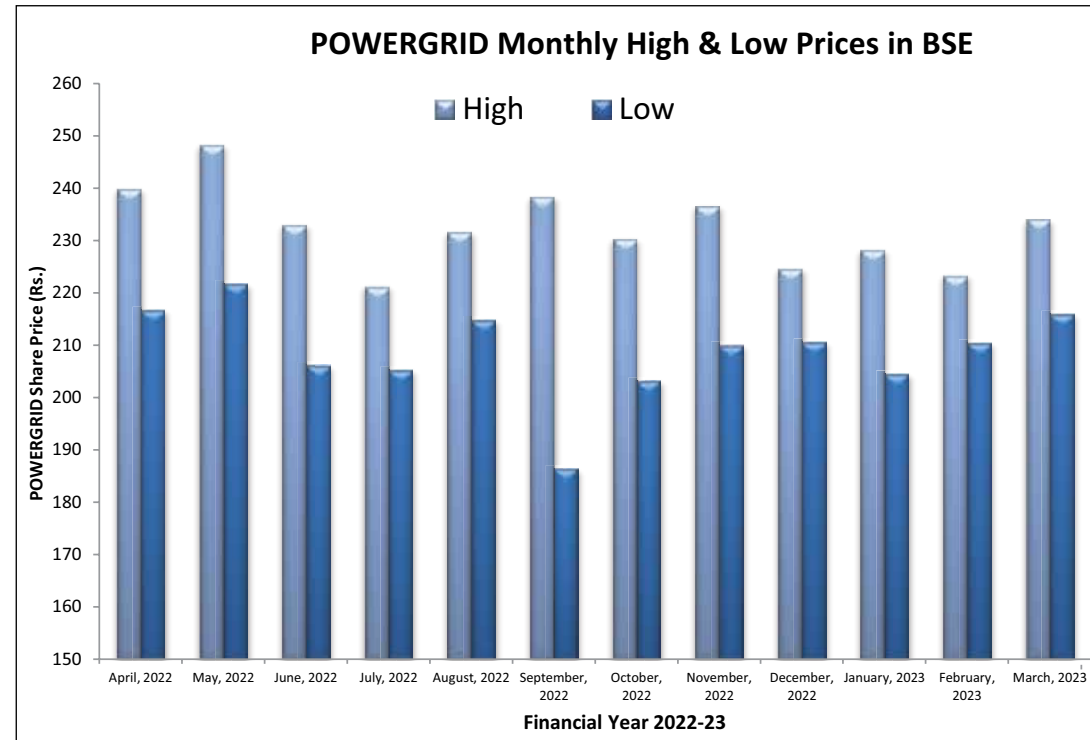
	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2022	239.90	216.10	4,71,386.98
May, 2022	248.35	221.65	6,72,814.62
June, 2022	233.00	206.15	4,73,239.64
July, 2022	221.25	205.05	4,55,455.76
August, 2022	231.70	214.15	3,56,858.93
September, 2022	238.45	186.35	11,32,520.11
October, 2022	230.25	204.00	4,94,428.87

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
November, 2022	236.55	209.65	3,97,056.51
December, 2022	224.85	210.45	3,52,896.27
January, 2023	228.30	204.25	4,72,043.49
February, 2023	225.00	210.40	3,57,328.24
March, 2023	234.00	215.80	5,95,912.86

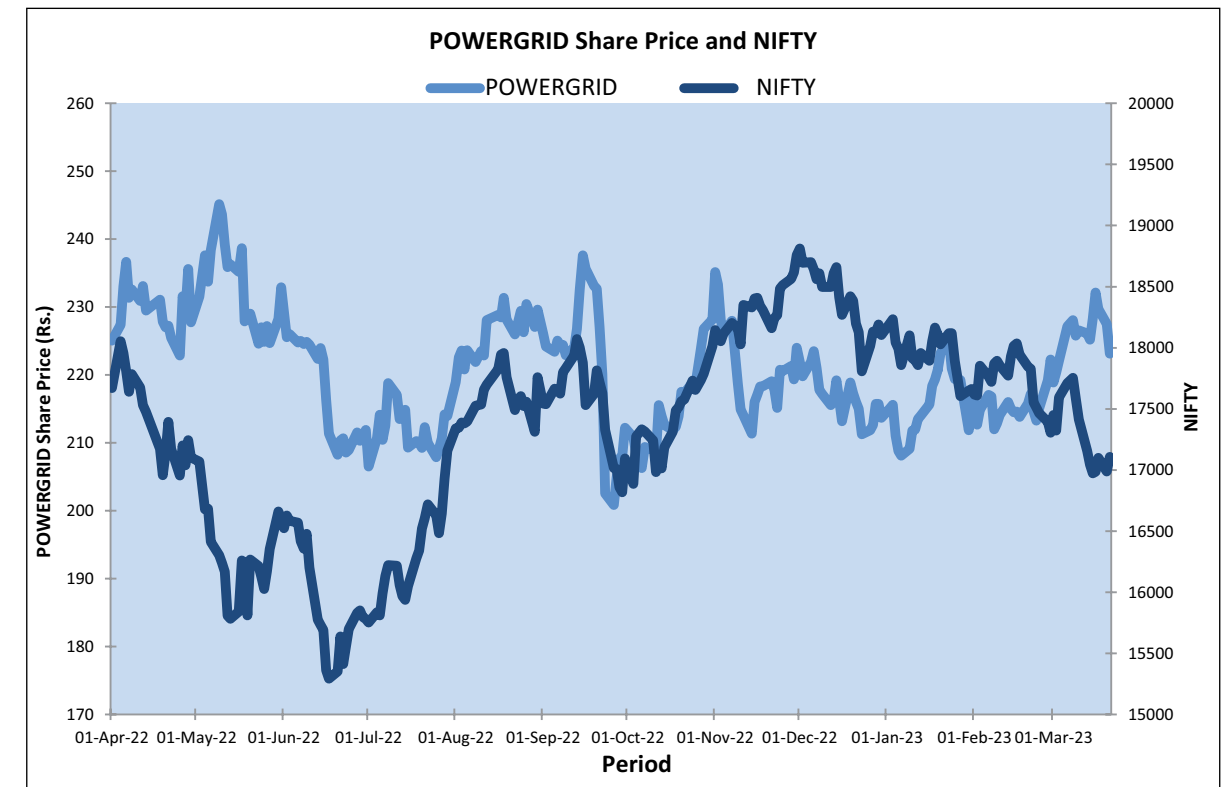
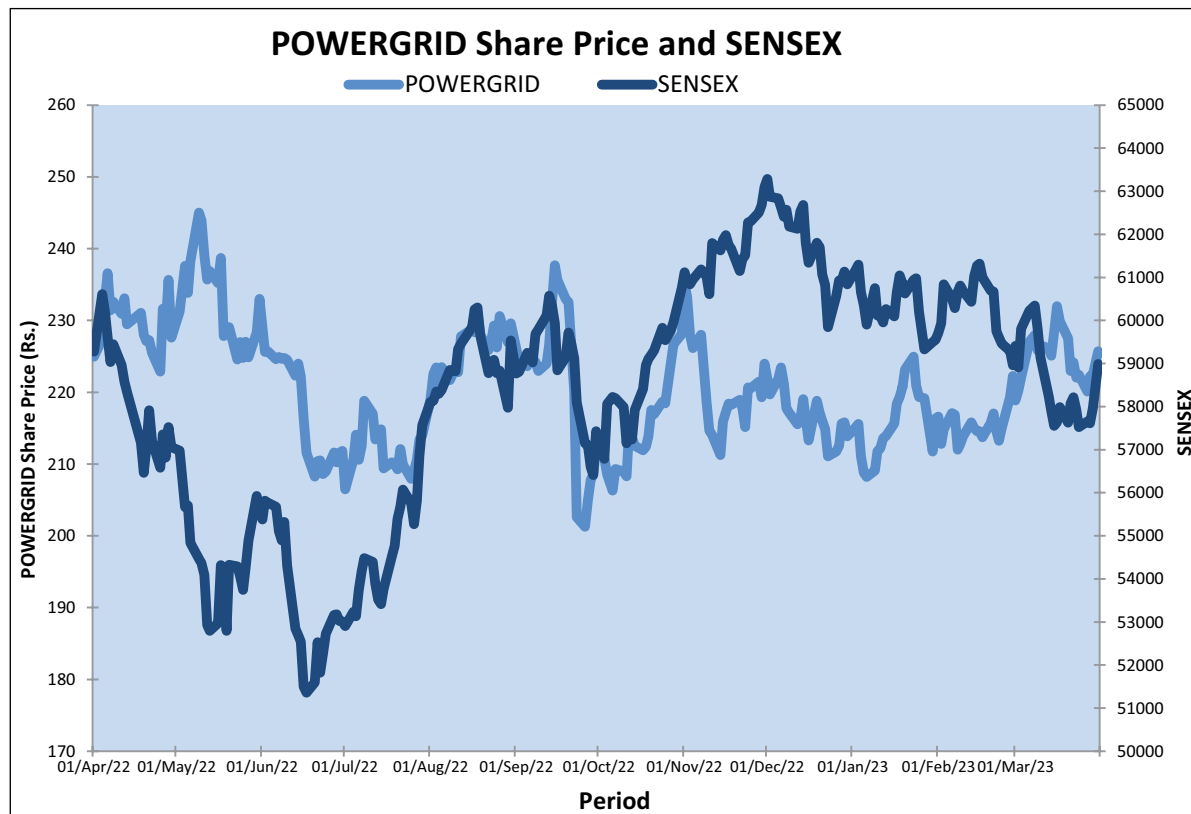


viii. POWERGRID's Shares Market Price Data – BSE

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2022	239.80	216.65	27,767.24
May, 2022	248.25	221.70	32,725.80
June, 2022	232.90	206.10	14,290.18
July, 2022	221.20	205.25	54,281.63
August, 2022	231.55	214.85	30,193.61
September, 2022	238.25	186.35	50,566.94
October, 2022	230.20	203.10	40,458.11
November, 2022	236.50	210.00	27,377.20
December, 2022	224.60	210.55	15,805.47
January, 2023	228.15	204.45	16,752.38
February, 2023	223.30	210.40	15,337.48
March, 2023	233.95	215.85	14,461.70



ix. Performance in comparison to indices NSE NIFTY, BSE Sensex and POWERGRID



x. Registrar and Transfer Agents.

EQUITY SHARES	BONDS
KFin Technologies Limited Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Toll free No.1800-309-4001. E-mail: einward.ris@kfintech.com	BEETAL Financial & Computer Services Private Limited. BEETAL HOUSE, 3 rd Floor, 99, Madangir, Behind LSC, New Delhi - 110062. Ph. 011-29961281-283, 26051061, 26051064 Fax.: 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 1st April, 2019, except in case of request received for transmission or transportation of securities.

Pursuant to Regulation 40(9) of SEBI LODR, certificate confirming 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 31st March, 2023

Shares held by different categories of shareholders and according to the size of the holdings as on 31st March, 2023 are given below:

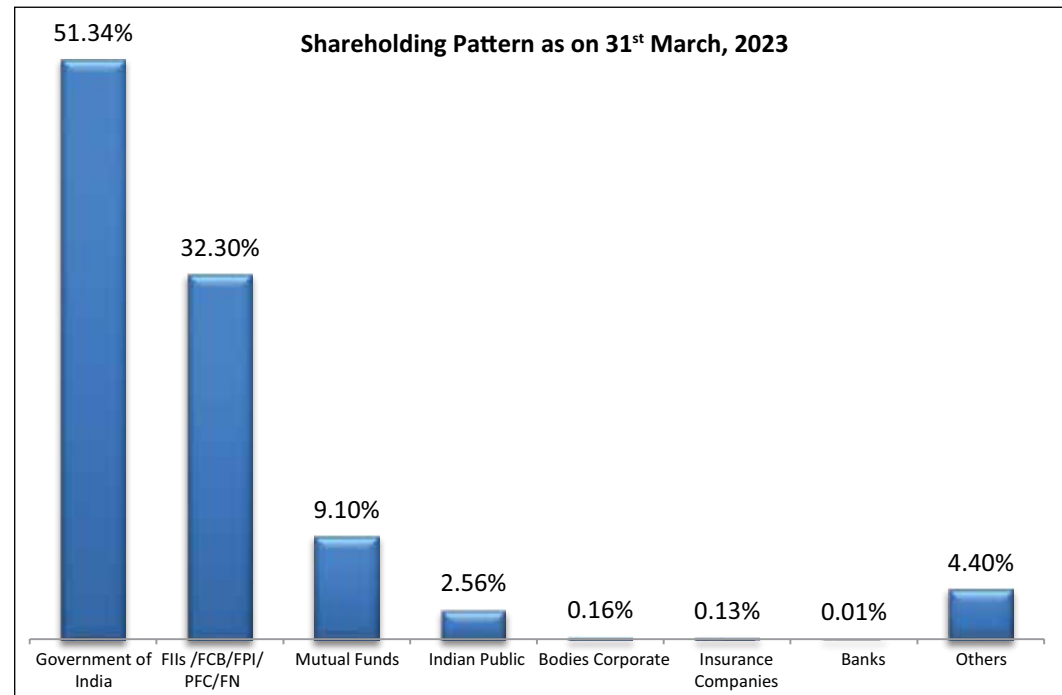
a. Distribution of shareholding according to size, % of holding as on 31st March, 2023:

Category	Total Cases	Total Cases %	Total Shares	Total Amount (₹)	Total Amount %
1 – 5000	7,99,133	99.57	16,44,02,217	1,64,40,22,170	2.36
5001 – 10000	1,460	0.18	1,01,10,790	10,11,07,900	0.14
10001 – 20000	559	0.07	76,22,029	7,62,20,290	0.11
20001 – 30000	179	0.02	43,96,027	4,39,60,270	0.06
30001 – 40000	102	0.01	35,42,416	3,54,24,160	0.05

Category	Total Cases	Total Cases %	Total Shares	Total Amount (₹)	Total Amount %
40001 – 50000	59	0.01	26,76,213	2,67,62,130	0.04
50001 – 100000	199	0.02	1,47,15,232	14,71,52,320	0.21
100001 & Above	928	0.12	6,76,79,87,940	67,67,98,79,400	97.03
Total	8,02,619	100.00	6,97,54,52,864	69,75,45,28,640	100.00

b. Shareholding pattern as on 31st March, 2023

Sl. No.	Category	Total Shares	% To Equity
1	Government of India	3,58,11,63,210	51.34
2	FIs /FCB/FPI/ PFC/FN	2,25,25,13,675	32.30
3	Mutual Funds	63,50,04,115	9.10
4	Indian Public	17,82,87,041	2.56
5	Bodies Corporate	1,12,63,961	0.16
6	Insurance Companies	92,80,493	0.13
7	Banks	7,79,503	0.01
8	Others	30,71,60,866	4.40
Total		6,97,54,52,864	100.00



c. Major Shareholders

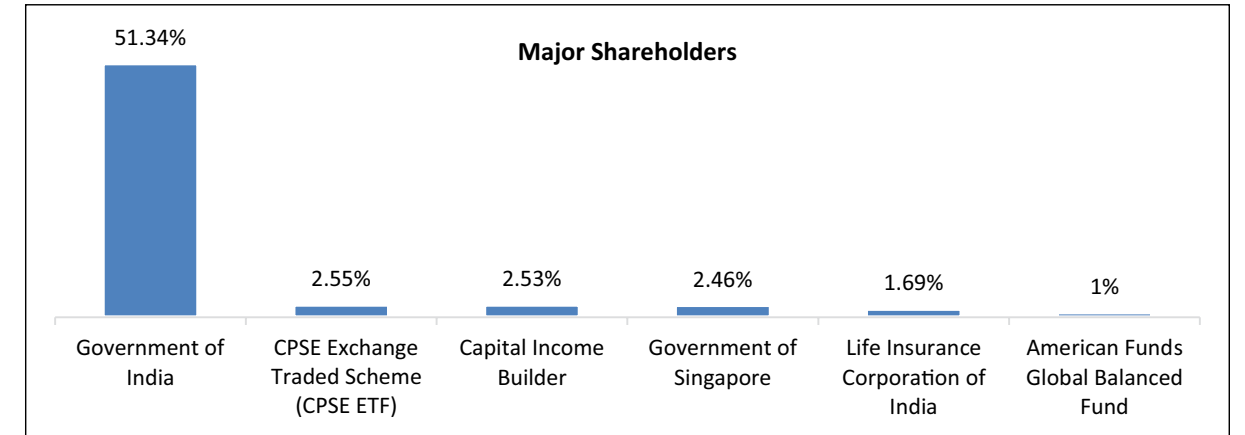
Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2023 are given below:

S. No.	Name of the shareholder	Shares	% equity	Category
1	Government of India [^]	3,44,61,36,810	49.40	GOI
2	CPSE Exchange Traded Scheme (CPSE ETF)	17,81,87,086	2.55	MUT
3	Capital Income Builder	17,62,75,365	2.53	FPC
4	Government of Singapore	17,15,69,049	2.46	FPC

S. No.	Name of the shareholder	Shares	% equity	Category
5	Government of India ^{^^}	13,50,26,400	1.94	GOI
6	Life Insurance Corporation of India	11,81,20,366	1.69	QIB
7	American Funds Global Balanced Fund	7,00,00,000	1.00	FPC

[^] represented through Ministry of Power

^{^^} represented through Ministry of DoNER

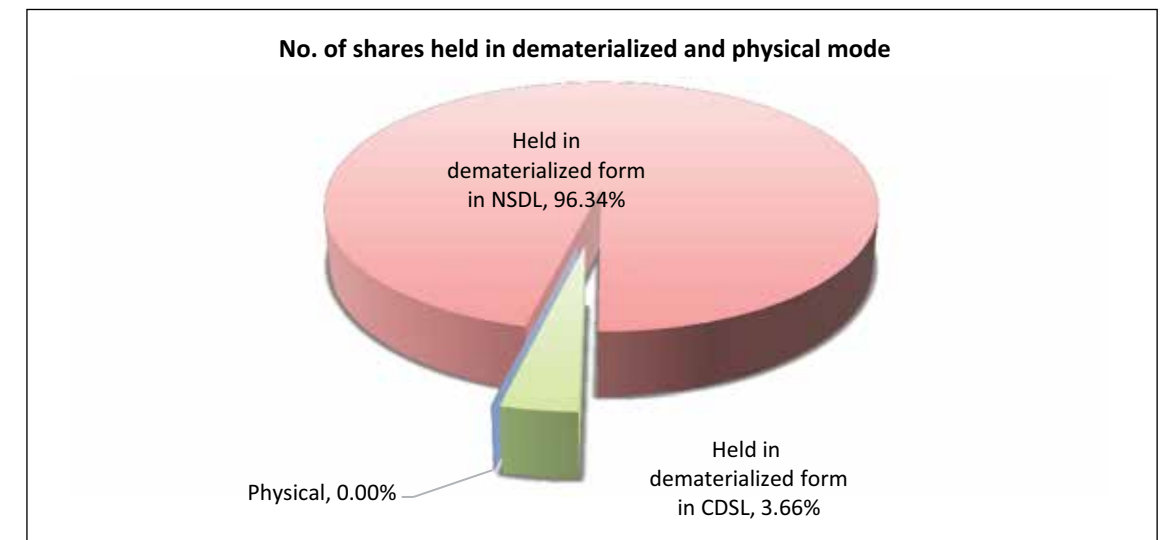


xiii. Dematerialization of Shares

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	11,775	54,363	0.00
2	Held in dematerialized form in NSDL	3,89,901	6,72,00,70,882	96.34
3	Held in dematerialized form in CDSL	4,29,496	25,53,27,619	3.66
Total		8,31,172	6,97,54,52,864	100.00



The name and addresses of the Depositories are as under:

1. **National Securities Depository Limited**
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
2. **Central Depository Services (India) Limited**
Marathon Futurex, 25th 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 272 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.: 011-26560112, 26560115, 26560193
E-mail ID: investors@powergrid.in Website: <https://www.powergrid.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 28th December, 2022 read with SEBI circular dated 5th January, 2023 requirement for sending physical copies of Annual Report to the Shareholders of the Company has been relaxed upto 30th September, 2023 and 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.

16. Annexure-I

Non-Mandatory Requirements

1. **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.
2. **Shareholder Rights:** The financial results for the half year ended 30th September, 2022 were published in Times of India and Economics Times on 7th November, 2022 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.
3. **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 31st March, 2023.
4. **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: 6th August, 2023

Place: Gurugram

Annexure – VII to the Directors' Report

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE FOR THE FY 2022-23**

To,

The Members,

Power Grid Corporation of India Limited

1. We have examined the compliance of conditions of Corporate Governance by **Power Grid Corporation of India Limited, CIN: L40101DL1989GOI038121** ("the Company"), for the year ended on **March 31, 2023**, 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 and D of Schedule V of the SEBI Listing Regulations and DPE guidelines on Corporate Governance during the year ended **March 31, 2023** subject to the following:
 - i. Half of the board of directors of the Company was not independent as required under Regulation 17(1) of SEBI (LODR) Regulations, 2015 and para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors.
 - ii. The Company did not have at least one independent woman director on its Board as required under Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 and at least one woman director with effect from June 1 2022 as required under section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.
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.

Place: Noida

Date: 28.07.2023

For Kumar Naresh Sinha & Associates

Company Secretaries

Sd/-

CS Naresh Kumar Sinha

(Proprietor)

FCS: 1807; C P No.: 14984

PR: 610/2019

FRN: S2015UP440500

UDIN: F001807E000699559

Annexure-VIII to the Directors' Report

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.

1. Details of contracts or arrangements or transactions not at arm's length basis		
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	-
2. Details of material contracts or arrangement or transactions at arm's length basis		
(A)	a) Name(s) of the related party and nature of relationship	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 Ajmer Phagi Transmission Limited 10. POWERGRID Bhind Guna Transmission Limited 11. POWERGRID Bhuj Transmission Limited 12. POWERGRID Fatehgarh Transmission Limited 13. POWERGRID Meerut Simbhavali Transmission Limited 14. POWERGRID Rampur Sambhal Transmission Limited 15. POWERGRID Ramgarh Transmission Limited 16. POWERGRID Bikaner Transmission System Limited 17. POWERGRID Bhadla Transmission Limited 18. POWERGRID Sikar Transmission Limited

		19. POWERGRID Aligarh Sikar Transmission Limited 20. POWERGRID Narela Transmission Limited 21. POWERGRID Gomti Yamuna Transmission Limited 22. POWERGRID Neemuch Transmission System Limited 23. POWERGRID ER NER Transmission Limited 24. POWERGRID Khavda II-B Transmission Limited 25. POWERGRID Khavda II-C Transmission Limited 26. POWERGRID Khavda RE Transmission System Limited 27. POWERGRID KPS2 Transmission System Limited 28. POWERGRID KPS3 Transmission Limited 29. POWERGRID ERWR Power Transmission Limited 30. POWERGRID Raipur Pool Dhamtari Transmission Limited 31. POWERGRID Dharamjaigarh Transmission Limited 32. POWERGRID Bhadla Sikar Transmission Limited The aforementioned Project SPVs are 100% wholly owned subsidiaries of POWERGRID acquired by POWERGRID under Tariff Based Competitive Bidding (TBCB).
	b) Nature of contracts / arrangements / transactions	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 prevailing market rates or combination thereof, upto an amount of ₹30,182.53 Crore (Rupees Thirty Thousand One Hundred Eighty Two Crore and Fifty Three Lakh only) to aforementioned Project SPVs. However, the agreements entered are presently limited to ₹21,795.43 Crore (Rupees Twenty One Thousand Seven Hundred Ninety Five Crore and Forty Three Lakh only) as per the following amounts: POWERGRID NM Transmission Limited ₹1150 Crore POWERGRID Unchahar Transmission Limited ₹90 Crore POWERGRID Southern Interconnector Transmission System Limited ₹3029.93 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 ₹945.92 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 POWERGRID Narela Transmission Limited ₹1547 Crore POWERGRID Gomti Yamuna Transmission Limited ₹973 Crore POWERGRID Neemuch Transmission System Limited ₹704 Crore POWERGRID ER NER Transmission Limited ₹257 Crore
		Part (B) POWERGRID to render all inputs and services as may be required by the aforementioned Projects SPVs. Part (C) POWERGRID to provide Post-CoD activities including O&M Consultancy as may be required by the Project SPVs.

	c) Duration of the contracts / arrangements / transactions	Part (A) As mutually agreed Part (B) As mutually agreed Part (C) As mutually agreed
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Refer (b)
	e) Date(s) of approval by the Board, if any	1 st February, 2018, 21 st June, 2014, 12 th September, 2020, 29 th March, 2017, 2 nd November, 2017, 20 th June, 2020, 3 rd January, 2019, 2 nd August, 2019, 1 st October, 2019, 19 th December, 2019, 11 th February, 2021, 11 th October 2021, 9 th November 2021, 6 th July 2022, 9 th February, 2022, 23 rd February, 2022, 29 th August 2022, 26 th September 2022, 23 rd March 2023.
	f) Amount paid as advances, if any:	NIL
(B)	a) Name(s) of the related party and nature of relationship	POWERGRID Himachal Transmission Limited
	b) Nature of contracts / arrangements / transactions	Loan agreement between POWERGRID and POWERGRID Himachal Transmission Limited entered on 29 th April, 2021.
	c) Duration of the contracts / arrangements / transactions	1 st May, 2021 to 31 st August, 2024
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Inter Corporate Loan of ₹15,914.24 Lakh was provided by POWERGRID to POWERGRID Himachal Transmission Limited (PHTL) on 1 st May, 2021 on cost to cost basis. Loan is repayable in monthly instalments of ₹4 crore each
	e) Date(s) of approval by the Board, if any	21 st April, 2021
	f) Amount paid as advances, if any:	Nil
(C)	a) Name(s) of the related party and nature of relationship	POWERGRID Himachal Transmission Limited
	b) Nature of contracts / arrangements / transactions	MOU dated 7 th 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 st April, 2019 to 31 st 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	POWERGRID Himachal Transmission Limited
	b) Nature of contracts / arrangements / transactions	Lease Rent agreement between POWERGRID and POWERGRID Himachal Transmission Limited.
	c) Duration of the contracts / arrangements / transactions	1 st June, 2021 to 31 st May, 2026
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Lease Rent payable by PHTL to POWERGRID on monthly basis as per the year wise details given in the Agreement
	e) Date(s) of approval by the Board, if any	19 th May, 2023

	f) Amount paid as advances, if any:	Nil
(E)	a) Name(s) of the related party and nature of relationship	Bihar Grid Company Limited (BGCL), Joint Venture Company
	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 th April, 2018. The revised estimated cost of the project is ₹1,688.36 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 th March, 2018 (351 st 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	Bihar Grid Company Limited (BGCL), Joint Venture Company
	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-I). Agreement signed on 1 st 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 th December, 2014 (308 th Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to BGCL as advance for this contract.
(G)	a) Name(s) of the related party and nature of relationship	Bihar Grid Company Limited (BGCL), Joint Venture Company
	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 th May, 2019. The revised estimated cost of the project is ₹111.14 Crore.
	e) Date(s) of approval by the Board, if any	7 th May, 2019 (365 th Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to BGCL as advance for this contract.
(H)	a) Name(s) of the related party and nature of relationship	Teestavalley Power Transmission Company Limited (TPTL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	1. Consultancy for execution of 2 nos. 400 kV AIS bays and 2x63 MVAR Reactors at Kishanganj 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

	c) Duration of the contracts / arrangements / transactions	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
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	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 st September, 2009 having revised project cost as on 31 st 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 along with 02 nos Line reactors at Kishenpur S/S for Rangpo & Teesta Line having estimated charges of ₹48.230 Lacs (FY2021-22) excluding applicable taxes.
	e) Date(s) of approval by the Board, if any	10 th August, 2020 (378 th Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to TPTL as advance for this contract.
(I)	a) Name(s) of the related party and nature of relationship	North East Transmission Company Limited (NETC), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Establishment of Office cum Store Complex at Guwahati.
	c) Duration of the contracts / arrangements / transactions	18 months (Mutually extendable)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Agreement signed on 24 th August, 2018 having estimated project cost of ₹3.08 Crore and consultancy fee @ 10% of the final actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	No amount was paid to NETC as advance for this contract.
(J)	a) Name(s) of the related party and nature of relationship	North East Transmission Company Limited (NETC), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat line (about 461.8 km).
	c) Duration of the contracts / arrangements / transactions	Extendable mutually.
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat line (about 461.8 km). Agreement signed on 26 th August, 2019. The consultancy fee is as per CERC tariff norms.
	e) Date(s) of approval by the Board, if any	2 nd August, 2019 (368 th Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to NETC as advance for this contract.
(K)	a) Name(s) of the related party and nature of relationship	National High Power Test Laboratory Pvt. Ltd. (NHPTL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for establishment of On-line High Power Short Circuit Test Facility at Bina Substation
	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 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 th November, 2010 having estimated project cost of ₹247.06 Crore and Consultancy fee @ 10% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	No amount was paid to NHPTL as advance for this contract.
(L)	a) Name(s) of the related party and nature of relationship	Cross-Border Power Transmission Company Ltd, Joint Venture Company
	b) Nature of contracts / arrangements / transactions	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
	c) Duration of the contracts / arrangements / transactions	Earlier O&M Agreement dated 14 th June, 2022 expired on 31 st March, 2023, During 415 th Board meeting renewal of agreement from 01 st April, 2023 to 31.03.2024 has been approved by Board.
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	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.
	e) Date(s) of approval by the Board, if any	27 th August, 2019
	f) Amount paid as advances, if any:	₹50 Lakh received on 16 th August, 2016 as revolving funds. No amount paid as advances thereafter.

For and on behalf of the Board of Directors



(K. Sreekant)

Chairman & Managing Director

DIN: 06615674

Date: 6th August, 2023

Place: Gurugram

(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**

(₹ 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	In-vest-ments	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Pro-posed Divi-dend	% of share holding
1	Powergrid Vemagiri Transmission Limited	N.A.	N.A.	0.05	(19.48)	-	19.43	Nil	-	(0.02)	-	(0.02)	Nil	100%
2	Powergrid NM Transmission Limited	N.A.	N.A.	490.95	(2.29)	1,356.50	867.84	Nil	363.87	255.32	32.93	222.39	Nil	100%
3	Powergrid Unchahar Transmission Limited	N.A.	N.A.	12.96	15.62	65.04	36.46	Nil	28.31	15.59	0.76	14.83	2.70	100%
4	Powergrid Southern Interconnector Transmission System Limited	N.A.	N.A.	709.00	42.27	3,557.59	2,806.32	Nil	476.09	173.84	43.93	129.91	Nil	100%
5	Powergrid Medinipur Jeerat Transmission Limited	N.A.	N.A.	647.00	59.53	3,358.01	2,651.48	Nil	581.41	299.56	76.01	223.55	Nil	100%
6	Powergrid Mithilanchal Transmission Limited	N.A.	N.A.	233.20	11.82	1,219.92	974.90	Nil	175.12	55.08	13.97	41.11	Nil	100%
7	Powergrid Varanasi Transmission System Limited	N.A.	N.A.	187.56	8.28	967.71	771.87	Nil	120.52	39.02	9.87	29.15	Nil	100%
8	Powergrid Jawaharpur Firozabad Transmission Limited	N.A.	N.A.	89.60	30.97	515.95	395.38	Nil	51.36	25.68	6.71	18.97	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	In-vest-ments	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Pro-posed Divi-dend	% of share holding
9	Powergrid Khetri Transmission System Limited	N.A.	N.A.	198.25	8.63	1,003.06	796.18	Nil	129.78	35.88	9.04	26.84	Nil	100%
10	Powergrid Bhuj Transmission Limited	N.A.	N.A.	232.00	2.28	1,186.31	952.03	Nil	66.09	3.09	0.78	2.31	Nil	100%
11	Powergrid Bhind Guna Transmission Limited	N.A.	N.A.	111.95	6.36	575.25	456.94	Nil	32.63	12.54	3.36	9.18	Nil	100%
12	Powergrid Ajmer Phagi Transmission Limited	N.A.	N.A.	115.00	3.57	585.85	467.28	Nil	65.49	13.72	3.47	10.25	Nil	100%
13	Powergrid Fatehgarh Transmission Limited	N.A.	N.A.	141.00	4.70	675.30	529.60	Nil	76.73	17.20	4.33	12.87	Nil	100%
14	Powergrid Rampur Sambhal Transmission Limited	N.A.	N.A.	142.10	5.85	807.59	659.64	Nil	20.99	9.07	2.28	6.79	Nil	100%
15	Powergrid Meerut Simbhavali Transmission Limited	N.A.	N.A.	195.13	(0.19)	1,070.46	875.52	Nil	0.05	(0.23)	(0.06)	(0.17)	Nil	100%
16	Central Transmission Utility of India Limited	N.A.	N.A.	0.05	26.11	2,464.64	2,438.48	Nil	8.82	68.48	17.37	51.11	Nil	100%
17	Powergrid Ramgarh Transmission Limited	N.A.	N.A.	25.00	(0.53)	281.47	257.00	Nil	-	(0.01)	-	(0.01)	Nil	100%
18	Powergrid Himachal Transmission Limited	N.A.	N.A.	300.00	127.00	446.60	19.60	Nil	131.26	58.76	1.21	49.69	0.50	100%
19	Powergrid Bikaner Transmission System Limited	N.A.	N.A.	100.00	(0.32)	1,284.00	1,184.32	Nil	-	(0.40)	(0.10)	(0.30)	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	In-vest-ments	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Pro-posed Divi-dend	% of share holding
20	Powergrid Sikar Transmission Limited	N.A.	N.A.	80.00	(0.60)	1,007.93	928.53	Nil	-	(0.17)	(0.04)	(0.13)	Nil	100%
21	Powergrid Bhadla Transmission Limited	N.A.	N.A.	32.21	(0.66)	541.73	510.18	Nil	-	(0.12)	(0.03)	(0.09)	Nil	100%
22	Powergrid Aligarh Sikar Transmission Limited	N.A.	N.A.	77.95	(0.74)	946.04	868.83	Nil	-	(0.97)	(0.24)	(0.73)	Nil	100%
23	Powergrid Teleservices Limited	N.A.	N.A.	9.00	(0.38)	8.97	0.35	Nil	-	(0.08)	(0.02)	(0.06)	Nil	100%
24	Powergrid Energy Services Limited	N.A.	N.A.	10.00	(9.34)	52.74	52.08	Nil	-	(12.39)	(3.12)	(9.27)	Nil	100%
25	Powergrid Narela Transmission Limited	N.A.	N.A.	0.01	(0.38)	565.21	565.58	Nil	-	(0.51)	(0.13)	(0.38)	Nil	100%
26	Powergrid Gombi Yamuna Transmission Limited	N.A.	N.A.	0.01	(0.77)	548.16	548.92	Nil	0.04	(1.03)	(0.26)	(0.77)	Nil	100%
27	Powergrid Neemuch Transmission System Limited	N.A.	N.A.	0.05	(0.22)	288.11	288.28	Nil	-	(0.29)	(0.07)	(0.22)	Nil	100%
28	Powergrid ER NER Transmission Limited	N.A.	N.A.	0.05	(0.43)	14.86	15.24	Nil	-	(0.16)	(0.04)	(0.12)	Nil	100%
29	Powergrid ERWR Power Transmission Limited	N.A.	N.A.	0.05	-	6.90	6.85	Nil	-	-	-	-	Nil	100%
30	Khavda RE Transmission Limited	N.A.	N.A.	0.05	-	54.22	54.17	Nil	-	-	-	-	Nil	100%
31	Khavda II-B Transmission Limited	N.A.	N.A.	0.05	-	77.34	77.29	Nil	-	-	-	-	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	In-vest-ments	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Pro-posed Divi-dend	% of share holding
32	Khavda II-C Transmission Limited	N.A.	N.A.	0.05	-	156.93	156.88	Nil	-	-	-	-	Nil	100%
33	Powergrid KPS2 Transmission System Limited	N.A.	N.A.	0.05	-	38.19	38.14	Nil	-	-	-	-	Nil	100%
34	Powergrid KPS3 Transmission Limited	N.A.	N.A.	0.05	-	12.77	12.72	Nil	-	-	-	-	Nil	100%
35	Raipur Pool Dhamtari Transmission Limited	N.A.	N.A.	0.01	-	7.41	7.40	Nil	-	-	-	-	Nil	100%
36	Dharamjaigarh Transmission Limited	N.A.	N.A.	0.01	-	6.87	6.86	Nil	-	-	-	-	Nil	100%
37	Bhadla Sikar Transmission Limited	N.A.	N.A.	0.01	-	104.04	104.03	Nil	-	-	-	-	Nil	100%

Names of subsidiaries which are yet to commence operations:

1	Powergrid Vemagiri Transmission Limited	11	Powergrid ER NER Transmission Limited
2	Powergrid Ramgarh Transmission Limited	12	Powergrid ERWR Power Transmission Limited
3	Powergrid Bikaner Transmission System Limited	13	Khavda RE Transmission Limited
4	Powergrid Sikar Transmission Limited	14	Khavda II-B Transmission Limited
5	Powergrid Bhadla Transmission Limited	15	Khavda II-C Transmission Limited
6	Powergrid Aligarh Sikar Transmission Limited	16	Powergrid KPS2 Transmission System Limited
7	Powergrid Teleservices Limited	17	Powergrid KPS3 Transmission Limited
8	Powergrid Energy Services Limited	18	Raipur Pool Dhamtari Transmission Limited
9	Powergrid Narela Transmission Limited	19	Dharamjaigarh Transmission Limited
10	Powergrid Neemuch Transmission System Limited	20	Bhadla Sikar Transmission Limited

Names of subsidiaries which have been liquidated or sold during the year: NIL

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. Consolidated	ii. Not Consolidated
Joint Ventures									
Powerlinks Transmission Limited	31.03.2023	22,93,20,000	229.32	49%	Shareholding is more than 20%	N.A.	474.12	39.78	N.A.
Torrent Power Grid Limited	Unaudited	2,34,00,000	23.40	26%	Shareholding is more than 20%	N.A.	35.41	5.54	N.A.
Parbati Koldam Transmission Company Limited	Unaudited	7,09,37,620	70.94	26%	Shareholding is more than 20%	N.A.	84.35	11.26	N.A.
Teestavalley Power Transmission Limited	Unaudited	12,01,20,000	120.12	30.92%	Shareholding is more than 20%	N.A.	161.28	16.29	N.A.
North East Transmission Company Limited	31.03.2023	10,69,64,000	106.96	26%	Shareholding is more than 20%	N.A.	139.74	29.11	N.A.
National High Power Test Laboratory Private Limited	Unaudited	3,04,00,000	30.40	20%	Shareholding is more than 20%	N.A.	-	(14.24)	N.A.
Bihar Grid Company Limited	Unaudited	33,41,27,260	334.13	50%	Shareholding is more than 20%	N.A.	479.59	(44.09)	N.A.
Energy Efficiency Services Limited	Unaudited	46,36,10,000	463.61	33.33%	Shareholding is more than 20%	N.A.	292.45	(130.58)	N.A.

(₹ 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. Consolidated	ii. Not Consolidated
Associates									
Cross Border Power Transmission Company Limited	Unaudited	1,26,12,473	12.62	26%	Shareholding is more than 20%	N.A.	34.09	4.25	N.A.
RINL Powergrid TLT Private Limited	Unaudited	40,00,000	4.00	50%	Shareholding is more than 20%	N.A.	-	-	N.A.
Butwal-Gorakhpur Cross Border Power Transmission Limited	Unaudited	25,000	0.03	50%	Shareholding is more than 20%	N.A.	0.02	(0.01)	N.A.
Power Transmission Company Nepal Limited	Unaudited	11,70,000	6.50	26%	Shareholding is more than 20%	N.A.	13.60	2.27	N.A.
Powergrid Kala Amb Transmission Limited	31.03.2023	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.	N.A.
Powergrid Jabalpur Transmission Limited	31.03.2023	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.	N.A.
Powergrid Warora Transmission Limited	31.03.2023	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.	N.A.

Annexure-X to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

CSR Policy of the Company was approved by the Board of Directors in its 307th meeting held on 11th November, 2014 and was modified in its 393rd meeting held on 17th June, 2021. Major changes were incorporated in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 of Ministry of Corporate Affairs dated 22nd January, 2021. 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 (CSR&S) 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 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.

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 on 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 three immediately preceding financial years.

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	ii. Not Considered in Consolidation
Powergrid Pari Transmission Limited	31.03.2023	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.	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	G Ravisankar Director (Finance)	K. Sreekant Chairman & Managing Director	As per our report of even date	
			For S. RAMANAND AIYAR & CO Chartered Accountants FRN : 000990N	For UMAMAHESWARA RAO & CO Chartered Accountants FRN : 004453S
CA R. Balasubramanian Partner M. No. 080432	CA Rakesh Bhanu Amara Partner M. No. 228411	CA Sanjay Sarkar Partner M. No. 064305	CA Satish Chandra Sharma Partner M. No. 072846	For PSD & ASSOCIATES Chartered Accountants FRN : 004501C

Date: 19 May 2023

Place: Gurugram

2. COMPOSITION OF CSR COMMITTEE

In compliance with the provisions of Section 135(1) of the Companies Act, 2013, as on 31.03.2023, the CSR Committee comprises of:

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 Sreekant Kandikuppa	Chairman & Managing Director/Chairman of CSR Committee	8	8
2.	Dr. Vinod Kumar Singh	Director (Personnel)/ Member of CSR Committee	8	8
3.	Shri Ram Naresh Tiwari	Independent Director/ Member of CSR Committee	8	8
4.	Shri Chetan Bansilal Kankariya	Independent Director/ Member of CSR Committee	8	8
5.	Shri Onkarappa KN	Independent Director/ Member of CSR Committee	8	8

3. THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

S. No.	Access to details of	Web-Link
1.	Composition of CSR Committee	https://www.powergrid.in/composition-committees-board-directors
2.	CSR Policy	https://www.powergrid.in/about-us-csr
3.	CSR projects approved by the Board	https://apps.powergrid.in/pgdocs/2023/07/List_of_CSR_Projects.pdf

4. THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) 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/2023/07/List_of_Projects_for_Impact_Assessment.pdf

The complete report on Impact Assessment is available at https://apps.powergrid.in/pgdocs/2023/07/CS_IA_Report.pdf

- Average net profit of the Company as per sub-section (5) of Section 135: **₹15,598.38 Crore**
- Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹311.97 Crore**
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- Amount required to be set-off for the financial year, if any: **Nil**
- Total CSR obligation for the financial year [(b) + (c) - (d)]: **₹311.97 Crore**
- Amount spent on CSR Projects: **₹310.51 Crore** (Ongoing projects = ₹160.93 Crore; Other than Ongoing projects = ₹149.58 Crore).
 - Amount spent in Administrative Overheads: **₹10.83 Crore**
 - Amount spent on Impact Assessment, if applicable: **₹0.32 Crore**
 - Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹321.66 Crore**
 - CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,21,66,10,490	0.00	N.A.	N.A.	N.A.	N.A.

f) Excess amount for set-off:

S. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	3,11,96,76,886
(ii)	Total amount spent for the financial year	3,21,66,10,490
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9,69,33,604
(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)]	9,69,33,604

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

1	2	3	4	5	6	7	8
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer	
1.	2019-20	N.A.	N.A.	3,46,20,86,011	0	NIL	-
2.	2020-21	0	0	2,40,48,01,918	0	NIL	-
3.	2021-22	0	0	2,71,13,87,826	0	NIL	-
	Total			8,57,82,75,755			

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR

☐ YES ☒ NO

If Yes, enter the number of Capital assets created/ acquired: N.A.

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

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

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): N.A.



G. Ravisankar
Director (Finance)
DIN : 08816101



K. Sreekant
(CMD & Chairman CSR Committee)
DIN : 06615674

Date : 6th August, 2023
Place : Gurugram



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STANDALONE FINANCIAL STATEMENTS

Balance Sheet as at 31 March 2023

(₹ in crore)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property Plant and Equipment	4	170,801.36	178,175.63
Capital work-in-progress	5	7,668.13	7,344.46
Investment Property	6	-	-
Intangible assets	7	1,476.19	1,556.13
Intangible assets under development	8	31.08	31.53
Financial Assets			
Investments	9	7,414.95	7,228.53
Trade receivables	10A	695.57	-
Loans	10	16,897.29	14,269.78
Other non-current financial assets	11	4,170.04	4,144.46
Other non-current assets	12	4,912.17	4,797.73
		214,066.78	217,548.25
Assets Classified as Held for Sale	19A	-	245.00
		214,066.78	217,793.25
Current assets			
Inventories	13	1,323.55	1,352.60
Financial Assets			
Trade receivables	14	12,381.52	8,836.81
Cash and cash equivalents	15	4,146.24	2,457.47
Bank balances other than Cash and cash equivalents	16	588.20	513.57
Loans	17	455.10	328.27
Other current financial assets	18	2,571.32	6,395.78
Other current assets	19	216.23	210.99
		21,682.16	20,095.49
Assets Classified as Held for Sale	19A	260.86	15.86
		21,943.02	20,111.35
Regulatory Deferral Account Balances	20	10,283.76	9,973.04
Total Assets		246,293.56	247,877.64
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	21	6,975.45	6,975.45
Other Equity	22	75,857.51	69,176.12
		82,832.96	76,151.57
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	23	113,891.29	114,199.40
Lease liabilities		61.63	27.04
Other non-current financial liabilities	24	3,564.67	3,523.00
Provisions	25	577.61	517.05
Deferred tax liabilities(Net)	26	10,631.12	11,424.78
Other non-current liabilities	27	197.10	240.89
		128,923.42	129,932.16

Balance Sheet as at 31 March 2023 (Contd.)

(₹ in crore)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
Current liabilities			
Financial Liabilities			
Borrowings	28	12,703.61	20,465.87
Lease liabilities		4.09	2.74
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	48.69	47.19
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	276.33	218.95
Other current financial liabilities	30	7,392.53	7,408.90
Other current liabilities	31	3,132.40	3,203.41
Provisions	32	781.41	932.31
Current Tax Liabilities (Net)	33	34.60	-
		24,373.66	32,279.37
Deferred Revenue	34	10,163.52	9,514.54
Total Equity and Liabilities		246,293.56	247,877.64

The accompanying notes (1 to 66) form an integral part of financial statements

For and on behalf of the Board of Directors

Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

For **S. RAMANAND AIYAR & CO**
Chartered Accountants
FRN : 000990N

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 R. Balasubramanian
Partner
M. No. 080432

CA Rakesh Bhanu Amara
Partner
M. No. 228411

CA Sanjay Sarkar
Partner
M. No. 064305

CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

Place: Gurugram

Statement of Profit and Loss for the year ended 31 March 2023

(₹ in crore)

Particulars	Note No	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue From Operations	35	43,343.05	39,933.39
Other Income	36	2,625.02	2,402.48
Total Income		45,968.07	42,335.87
EXPENSES			
Employee benefits expense	37	2,504.96	2,234.76
Finance costs	38	9,744.25	8,210.94
Depreciation and amortization expense	39	12,939.88	12,550.58
Other expenses	40	3,564.29	2,771.62
Total expenses		28,753.38	25,767.90
Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances		17,214.69	16,567.97
Exceptional Items		-	(3,759.51)
Profit Before Tax & Regulatory Deferral Account Balances		17,214.69	20,327.48
Tax expense:			
Current tax – Current Year		2,987.43	3,320.52
– Earlier Years		(73.76)	(38.46)
Deferred tax	26	(775.57)	(571.00)
		2,138.10	2,711.06
Profit for the period before Regulatory Deferral Account Balances		15,076.59	17,616.42
Net movement in Regulatory Deferral Account Balances– Income/(Expenses) (net of tax)	41	256.43	(522.66)
Profit for the period		15,333.02	17,093.76
Other Comprehensive Income			
Items that will not be reclassified to profit or loss (net of tax)	42	(106.70)	290.93
Total Comprehensive Income for the period		15,226.32	17,384.69
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	60	21.98	24.51
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	60	21.61	25.25

The accompanying notes (1 to 66) form an integral part of financial statements

For and on behalf of the Board of Directors
Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

For **S. RAMANAND AIYAR & CO**
Chartered Accountants
FRN : 000990N

For **UMAMAHESWARA RAO & CO**
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Partner
M. No. 064305

CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

Place: Gurugram

Statement of Changes in Equity for the year ended 31 March 2023
A. Equity Share Capital

(₹ in crore)

As at 01 April 2022	6,975.45
Changes during the year	-
As at 31 March 2023	6,975.45
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

B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus					Other Compre- hensive Income	Total
	Securi- ties Pre- mium	Bond Re- demption Reserve	Self In- surance Reserve	General Reserve	Retained Earnings	Equity instru- ments through other compre- hensive income	
As at 01 April 2022	7,834.43	5,532.80	853.09	50,352.82	4,110.89	492.09	69,176.12
Profit for the year					15,333.02		15,333.02
Other Comprehensive Income					17.22	(123.92)	(106.70)
Total Comprehensive Income					15,350.24	(123.92)	15,226.32
Adjustments during the year							
Transfer to General Reserve				8,000.00	(8,000.00)		-
Transfer from Bond Redemption Reserve		(1,364.63)			1,364.63		-
Transfer to Self Insurance Reserve			299.42		(299.42)		-
Transfer from Self Insurance Reserve			(104.55)	104.55	-		-
Final Dividend F.Y. 2021-22					(1,569.48)		(1,569.48)
Interim Dividend F.Y. 2022-23					(6,975.45)		(6,975.45)
Other Adjustments					(3.44)	3.44	-
As at 31 March 2023	7,834.43	4,168.17	1,047.96	58,457.37	3,977.97	371.61	75,857.51

Statement of Changes in Equity for the year ended 31 March 2023 (Contd.)

B. Other Equity (contd.)

(₹ in crore)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
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					(134.02)	424.95	290.93
Total Comprehensive Income					16,959.74	424.95	17,384.69
Adjustments during the year							
Transfer to General Reserve				7,000.00	(7,000.00)		-
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	4,110.89	492.09	69,176.12

The accompanying notes (1 to 66) 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

Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

For **S. RAMANAND AIYAR & CO**
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Partner
M. No. 064305

CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

Place: Gurugram

Statement of Cash Flows for the year ended 31 March 2023

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax & Regulatory Deferral Account Balances	17,214.69	20,327.48
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	256.43	(522.66)
Add: Tax on Net movement in Regulatory Deferral Account Balances	54.29	(110.65)
Profit Before Tax (including net movement in Regulatory Deferral Account Balances)	17,525.41	19,694.17
Adjustment for :		
Depreciation & amortization expenses	12,939.88	12,550.58
Transfer from Grants in Aid	(315.33)	(300.26)
Deferred revenue - Advance against Depreciation	(151.56)	(152.46)
Provisions	65.18	4.21
Changes in fair value of financial instruments through profit or loss	(27.90)	(16.44)
Profit on sale of Investment in Subsidiaries	-	(3,759.51)
Net Loss on Disposal / Write off of Property, Plant & Equipment	22.09	28.39
Deferred Foreign Currency Fluctuation Asset	(159.19)	(42.69)
Deferred Income from Foreign Currency Fluctuation	1,116.10	191.07
Regulatory Deferral Account Debit Balances	(310.72)	633.31
Finance Costs	9,744.25	8,210.94
Provisions Written Back	(29.93)	(13.13)
FERV loss / (gain)	-	(0.03)
Profit on sale of Investment in Mutual Funds	-	(15.95)
Interest income on Deposits, Bonds and loans to Subsidiaries & Joint Ventures (JVs), PG InvIT etc	(1,265.48)	(1,075.96)
Surcharge income	(163.54)	(364.46)
Income from finance lease	(150.80)	(73.12)
Dividend income	(671.71)	(664.38)
	20,641.34	15,140.11
Operating profit before Changes in Assets and Liabilities	38,166.75	34,834.28
Adjustment for Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventories	25.96	13.96
(Increase)/Decrease in Trade Receivables	(4,104.68)	(250.94)
(Increase)/Decrease in Other Financial Assets	4,171.17	(3,059.47)
(Increase)/Decrease in Other Non-current Assets	0.37	68.23
(Increase)/Decrease in Other Current Assets	(5.24)	(37.71)
Increase/(Decrease) in Liabilities & Provisions	(189.04)	(3,218.91)
	(101.46)	(6,484.84)
Cash generated from operations	38,065.29	28,349.44
Direct taxes paid	(2,797.04)	(3,709.24)
Net Cash from Operating Activities	35,268.25	24,640.20

Statement of Cash Flows for the year ended 31 March 2023 (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(3,064.54)	(3,645.32)
Receipt of Grant	0.35	131.42
Investment in Mutual Funds	-	(1,470.00)
Sale of Mutual Funds	-	1,485.95
Sale of Investment in Subsidiaries/Associate (Net)	-	3,346.69
Investments in Subsidiaries, JVs & others (Net)	(358.83)	(1,122.13)
Loans & Advances to Subsidiaries, JVs & Associates (Including repayments)	(3,089.78)	1,228.83
Financial lease receipts	132.33	84.87
Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs, PG InvIT etc	1,200.14	1,239.26
Surcharge received	192.79	244.59
Dividend received	671.71	664.38
Net Cash from/(used in) Investing Activities	(4,315.83)	2,188.54
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings		
Non Current	9,140.44	2,584.70
Current	11,845.00	7,400.00
Repayment of Borrowings		
Non Current	(15,540.65)	(15,251.97)
Current	(16,445.00)	(3,900.00)
Repayment of Lease Liabilities (Including interest)	(8.82)	(8.14)
Finance Costs paid	(9,709.69)	(8,813.95)
Dividend paid	(8,544.93)	(10,811.96)
Net Cash used in Financing Activities	(29,263.65)	(28,801.32)
D. Net change in Cash and Cash equivalents (A+B+C)	1,688.77	(1,972.58)
E. Cash and Cash equivalents (Opening balance)	2,457.47	4,430.05
F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*	4,146.24	2,457.47

The accompanying notes (1 to 66) form an integral part of financial statements

* Includes ₹ 1048.54 crore (Previous Year ₹ 1341.75 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 2023 (Contd.)

(₹ in crore)

Particulars	Finance lease obligations	Non-current borrowings#	Current borrowings
Opening Balance as at 1st April, 2022	29.78	132,147.04	5,300.00
Net Cash Flows during the year	(8.82)	(14,514.55)	(4,600.00)
Non-cash changes due to :			
- Adjustments/Acquisitions under finance lease	44.76		
- Interest on borrowings		8,285.51	
- Variation in exchange rates		2,929.84	
- Fair value adjustments		3.65	
Closing Balance as at 31 March 2023	65.72	128,851.49	700.00

(₹ in crore)

Particulars	Finance lease obligations	Non-current borrowings#	Current borrowings
Opening Balance as at 1st April, 2021	21.59	144,353.00	1,800.00
Net Cash Flows during the year	(8.14)	(20,837.83)	3,500.00
Non-cash changes due to :			
- Adjustments/Acquisitions under finance lease	16.33		
- Interest on borrowings		7,845.08	
- Variation in exchange rates		781.06	
- Fair value adjustments		5.73	
Closing Balance as at 31 March, 2022	29.78	132,147.04	5,300.00

Includes current maturities of non-current borrowings and interest accrued thereon.

For and on behalf of the Board of Directors			
Mrinal Shrivastava Company Secretary	G Ravisankar Director (Finance)	K. Sreekant Chairman & Managing Director	
As per our report of even date			
For S. RAMANAND AIYAR & CO Chartered Accountants FRN : 000990N	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 R. Balasubramanian Partner M. No. 080432	CA Rakesh Bhanu Amara Partner M. No. 228411	CA Sanjay Sarkar Partner M. No. 064305	CA Satish Chandra Sharma Partner M. No. 072846

Date: 19 May 2023

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 2023 were approved for issue by the Board of Directors on 19th May 2023.

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

v) Current and non-current classification

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

An asset is current when it is:

- Expected to be 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 superannuation 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Debt Instruments at Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured

at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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 (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.

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:

- the total of all Regulatory Deferral Account Debit Balances; and
- 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 transaction price to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Significant Financing Component

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

2.19.1 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.

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 (including considered as Lease receivables) and value of Inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-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.

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.

(₹ in crore)

Particulars		Cost				Accumulated depreciation				Net Book Value			
		As at 01 April 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2023	As at 01 April 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2023	As at 31 March 2022	
Land													
Freehold	2,288.56	39.54	-	(4.59)	2,332.69	-	-	-	-	-	2,332.69	2,288.56	
Buildings													
a) Sub-Stations & Office	2,884.44	131.23	-	(2.43)	3,018.10	388.05	108.36	-	(1.55)	497.96	2,520.14	2,496.39	
b) Township	771.95	81.08	-	-	853.03	173.01	34.61	-	-	207.62	645.41	598.94	
Temporary Erection	1.19	0.62	-	-	1.81	1.19	0.62	-	-	1.81	-	-	
Roads & Bridges	314.18	8.23	-	-	322.41	57.14	12.53	-	-	69.67	252.74	257.04	
Water Supply Drainage & Sewerage	177.25	20.14	-	-	197.39	32.60	7.03	-	-	39.63	157.76	144.65	
Plant & Equipment													
a) Transmission	145,171.90	1,297.51	10.98	(1,019.15)	147,477.58	42,803.26	7,593.94	4.24	(0.87)	50,393.83	97,083.75	102,368.64	
b) Sub-station	90,408.28	2,508.17	116.60	(370.45)	93,170.30	24,161.95	5,042.47	91.03	(3.98)	29,117.37	64,052.93	66,246.33	
c) Unified Load Despatch & Communication	1,689.99	197.14	-	8.46	1,878.67	465.01	105.29	-	(0.22)	570.52	1,308.15	1,224.98	
d) Telecom	1,508.62	107.65	-	(5.70)	1,621.97	709.12	113.64	-	0.16	822.60	799.37	799.50	
Furniture Fixtures	190.91	15.61	2.46	0.05	204.01	61.82	28.99	1.06	0.05	89.70	114.31	129.09	
Vehicles	4.77	1.07	0.41	-	5.43	1.48	0.67	0.09	-	2.06	3.37	3.29	
Office equipment	291.20	42.26	2.46	(0.59)	331.59	88.58	111.10	0.91	(0.16)	198.93	132.66	202.62	
Electronic Data Processing & Word Processing Machines	225.72	19.97	8.25	-	237.44	157.64	47.54	6.77	-	198.41	39.03	68.08	
Construction and Workshop equipment	616.36	8.72	1.43	(0.29)	623.94	137.17	32.77	0.65	(0.08)	169.37	454.57	479.19	
Electrical Installation	165.97	14.62	-	(0.32)	180.91	48.37	11.45	-	0.03	59.79	121.12	117.60	
Laboratory Equipments	91.53	1.20	0.01	0.26	92.46	27.04	4.01	0.01	0.04	31.00	61.46	64.49	
Workshop & Testing Equipments	351.22	27.00	0.05	(1.49)	379.66	75.43	21.92	0.01	(0.26)	97.60	282.06	275.79	
Miscellaneous Assets/ Equipments	0.23	0.48	-	-	0.71	0.03	0.02	-	-	0.05	0.66	0.20	
Right-of-use (ROU) Assets													
a) ROU Assets- Leasehold Land	495.64	15.80	0.10	-	511.34	88.54	17.26	0.01	-	105.79	405.55	407.10	
b) ROU Asset- Buildings	13.14	2.45	1.89	-	13.70	8.44	2.38	1.87	-	8.95	4.75	4.70	
c) ROU Asset- Vehicles	-	6.03	-	-	6.03	-	0.30	-	-	0.30	5.73	-	
d) ROU Asset- Plant & Machinery- Telecom	0.22	23.33	-	-	23.55	0.03	0.37	-	-	0.40	23.15	0.19	
Total	247,663.27	4,569.85	144.64	(1,396.24)	253,484.72	69,485.90	13,297.27	106.65	(6.84)	82,683.36	170,801.36	178,177.37	
Less: Provision for assets discarded	1.74	-	-	1.74	-	-	-	-	-	-	-	1.74	
Grand Total	247,661.53	4,569.85	144.64	(1,397.98)	253,484.72	69,485.90	13,297.27	106.65	(6.84)	82,683.36	170,801.36	178,175.63	

Note 4: Property, Plant and Equipment (Contd.)

(₹ 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
Land											
Freehold	2,264.49	26.38	-	2.31	2,288.56	-	-	-	-	2,288.56	2,264.49
Buildings											
a) Sub-Stations & Office	2,281.00	571.95	-	(31.49)	2,884.44	287.25	96.71	-	(4.09)	388.05	1,993.75
b) Township	687.43	85.65	0.04	1.09	771.95	143.48	29.29	0.03	(0.27)	173.01	543.95
Temporary Erection	1.19	-	-	-	1.19	1.17	0.02	-	-	1.19	0.02
Roads & Bridges	263.37	51.48	-	0.67	314.18	44.84	12.30	-	-	57.14	218.53
Water Supply Drainage & Sewerage	120.56	56.68	-	(0.01)	177.25	26.43	6.17	-	-	32.60	94.13
Plant & Equipment											
a) Transmission	139,031.50	5,801.97	51.32	(389.75)	145,171.90	35,335.12	7,494.27	19.31	6.82	42,803.26	103,696.38
b) Sub-station	82,424.51	7,872.58	22.61	(133.80)	90,408.28	19,378.21	4,796.76	8.09	4.93	24,161.95	63,046.30
c) Unified Load Despatch & Communication	1,448.59	238.89	-	(2.51)	1,689.99	366.58	98.31	-	(0.12)	465.01	1,082.01
d) Telecom	1,305.38	204.15	-	0.91	1,508.62	595.89	113.80	-	0.57	709.12	709.49
Furniture Fixtures	159.75	30.61	1.06	(1.61)	190.91	48.86	12.73	0.19	(0.42)	61.82	110.89
Vehicles	3.04	1.78	0.05	-	4.77	1.27	0.25	0.04	-	1.48	1.77
Office equipment	246.51	46.92	1.97	0.26	291.20	71.15	18.14	0.75	(0.04)	88.58	175.36
Electronic Data Processing & Word Processing Machines	243.57	17.83	35.61	0.07	225.72	138.51	51.72	32.54	0.05	157.64	105.06
Construction and Workshop equipment	599.54	18.54	1.46	0.26	616.36	104.33	33.32	0.30	0.18	137.17	495.21
Electrical Installation	154.57	10.65	0.01	(0.76)	165.97	39.54	8.79	-	(0.04)	48.37	115.03
Laboratory Equipments	87.85	3.73	0.01	0.04	91.53	22.44	4.60	-	-	27.04	65.41
Workshop & Testing Equipments	325.90	27.31	0.21	1.78	351.22	57.28	18.09	0.07	(0.13)	75.43	268.62
Miscellaneous Assets/Equipments	0.46	0.23	-	0.46	0.23	0.08	0.02	-	0.07	0.03	0.38
Right-of-use (ROU) Assets											
a) ROU Assets- Leasehold Land	469.66	25.18	-	(0.80)	495.64	70.41	18.13	-	-	88.54	399.25
b) ROU Asset- Buildings	13.54	1.00	1.15	0.25	13.14	5.98	3.73	1.03	0.24	8.44	7.56
c) ROU Asset- Vehicles	-	-	-	-	-	-	-	-	-	-	-
d) ROU Asset- Plant & Machinery- Telecom	0.27	0.01	0.06	-	0.22	0.06	0.03	0.06	-	0.03	0.21
Total	232,132.68	15,093.52	115.56	(552.63)	247,663.27	56,738.88	12,817.18	62.41	7.75	69,485.90	175,393.80
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	-	1.74
Grand Total	232,130.94	15,093.52	115.56	(552.63)	247,661.53	56,738.88	12,817.18	62.41	7.75	69,485.90	175,392.06

Note 4: Property, Plant and Equipment (Contd.)

Further Notes:

- The Company owns 7,577 hectare (Previous Year 7,393 hectare) of land amounting to ₹2,844.03crore (Previous Year ₹2,784.20crore) which has been classified into freehold land 6,434 hectare (Previous Year 6,268 hectare) amounting to ₹2,332.69crore (Previous Year ₹2,288.56crore) and Right of Use - Land 1,143 hectare (Previous Year 1,125 hectare) amounting to ₹511.34crore (Previous Year ₹495.64crore) based on available documentation.
- Freehold land acquired by the company includes 198.93 hectare (Previous Year 32.27 hectare) amounting to ₹48.01crore (Previous Year ₹9.13crore) in respect of land acquired by the company for which only mutation in revenue records is pending.
- 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.
- Right of Use - Land includes area of 17.22 hectare (Previous Year 16.31 hectare) amounting to ₹113.49crore (Previous Year ₹107.52crore) in respect of land acquired on perpetual lease basis and hence not amortised.
- 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04crore (Previous Year ₹0.04crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- Refer note no. 50 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- Refer note no. 23 for information on property, plant and equipment pledged as security by the company.
- 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 2022	Additions during the year	Adjustments	Transferred to lease receivables	Capitalised during the year	As at 31 March 2023
Land						
Development of land	-	-	-	-	-	-
Buildings						
a) Sub-Stations & Office	72.05	86.08	5.19	-	99.51	53.43
b) Township	75.35	53.81	7.55	-	56.05	65.56
Temporary erection	-	0.29	-	-	0.29	-
Roads & Bridges	12.30	3.96	12.00	-	4.10	0.16
Water Supply Drainage and Sewerage	0.98	4.98	(1.29)	-	4.53	2.72
Plant & Equipments (including associated civil works)						
a) Transmission	1,616.44	1,311.74	-	124.45	1,023.24	1,780.49
b) Sub-Station	2,766.65	1,342.03	-	25.11	2,127.49	1,956.08
c) Unified Load Despatch & Communication	251.38	178.87	(3.35)	33.82	171.44	228.34
d) Telecom	61.34	86.22	-	-	94.01	53.55
Furniture & Fixtures	-	0.03	-	-	0.03	-
Other office equipments	1.02	0.03	-	-	0.03	1.02
Electrical Installations	2.62	9.99	0.01	-	10.71	1.89
Construction Stores (Net of Provision)	1,251.27	3,422.14	2,233.97	-	-	2,439.44
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	3.43	1.10	-	-	2.83	1.70
ii) Difference in Exchange on foreign currency loans	12.00	2.45	-	-	-	14.45
iii) Expenditure during construction period(net) (Note 43)	1,219.89	416.49	73.02	32.98	461.08	1,069.30
	7,346.72	6,920.21	2,327.10	216.36	4,055.34	7,668.13
Less: Provision for unserviceable Assets	2.26	-	2.26	-	-	-
Grand Total	7,344.46	6,920.21	2,324.84	216.36	4,055.34	7,668.13

Note 5: Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 01 April 2021	Additions during the year	Adjustments	Transferred to lease receivables	Capitalised during the year	As at 31 March 2022
Land						
Development of land	0.18	-	0.18	-	-	-
Buildings						
a) Sub-Stations & Office	75.00	478.78	-	-	481.73	72.05
b) Township	158.84	37.69	32.14	-	89.04	75.35
Roads & Bridges	28.86	0.48	14.50	-	2.54	12.30
Water Supply Drainage and Sewerage	4.12	0.74	1.02	-	2.86	0.98
Plant & Equipments (including associated civil works)						
a) Transmission	4,969.59	1,333.89	-	-	4,687.04	1,616.44
b) Sub-Station	7,503.24	2,508.90	-	-	7,245.49	2,766.65
c) Unified Load Despatch & Communication	254.86	218.80	-	44.48	177.80	251.38
d) Telecom	130.07	166.73	60.26	-	175.20	61.34
Furniture & Fixtures	-	0.54	-	-	0.54	-
Other office equipments	0.20	2.99	-	-	2.17	1.02
Electrical Installations	2.64	0.62	0.12	-	0.52	2.62
Construction Stores (Net of Provision)	2,448.34	346.39	1,543.46	-	-	1,251.27
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	2.63	1.11	0.23	-	0.08	3.43
ii) Difference in Exchange on foreign currency loans	36.46	34.50	-	-	58.96	12.00
iii) Expenditure during construction period(net) (Note 43)	2,283.90	752.37	19.64	8.04	1,788.70	1,219.89
	17,898.93	5,884.53	1,671.55	52.52	14,712.67	7,346.72
Less: Provision for unserviceable Assets	2.26	-	-	-	-	2.26
Grand Total	17,896.67	5,884.53	1,671.55	52.52	14,712.67	7,344.46

Note 5: Capital work in progress (Contd.)

(Details of Construction stores) (At Cost)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Construction Stores		
Towers	209.81	177.71
Conductors	527.97	309.88
Other Line Materials	162.89	94.69
Sub-Station Equipments	1,133.50	330.99
High Voltage Direct Current (HVDC) Equipments	18.38	151.16
Unified Load Despatch & Communication(ULDC) Materials	200.86	103.47
Telecom Materials	176.87	60.12
Others	9.16	23.25
Total	2,439.44	1,251.27
Construction Stores include:		
i) Material in transit		
Towers	39.04	-
Conductors	61.76	-
Other Line Materials	39.16	-
Sub-Station Equipments	129.87	20.49
High Voltage Direct Current (HVDC) Equipments	0.27	-
Unified Load Despatch & Communication(ULDC) Materials	1.84	0.44
Telecom Materials	90.66	-
Others	-	-
Total	362.60	20.93
ii) Material with Contractors		
Towers	170.77	177.71
Conductors	466.21	309.88
Other Line Materials	123.73	94.69
Sub-Station Equipments	1,003.63	310.50
High Voltage Direct Current (HVDC) Equipments	18.11	151.16
Unified Load Despatch & Communication (ULDC) Materials	199.02	103.03
Telecom Materials	86.21	60.12
Others	9.16	23.25
Total	2,076.84	1,230.34
Grand total	2,439.44	1,251.27

Further Notes:

- Materials with Contractors amounting to ₹ 9.73 crore (Previous Year ₹ 1.30 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.
- 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

(₹ in crore)

Particulars	Cost					Accumulated Amortisation				Net Book Value	
	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023	As at 31 March 2022
Land (Freehold)	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

(₹ in crore)

Particulars	Cost					Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposals during the year	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
Total	0.03	-	-	0.03	-	-	-	-	-	-	0.03

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 during the previous year.

Note 7: Intangible assets

(₹ in crore)

Particulars	Cost				Accumulated Amortisation					Net Book Value	
	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023	As at 31 March 2022
Electronic Data Processing Software	79.47	8.86	0.02	-	88.31	68.90	7.50	0.02	-	76.38	10.57
Right of Way-Afforestation Expenses	2,138.04	38.07	-	-	2,176.11	624.48	112.00	-	-	736.48	1,513.56
Telecom Licenses	2.80	-	-	-	2.80	0.69	0.14	-	-	0.83	2.11
Development of 1200 KV TS*	71.86	-	-	-	71.86	41.97	7.23	-	-	49.20	29.89
Total	2,292.17	46.93	0.02	-	2,339.08	736.04	126.87	0.02	-	862.89	1,476.19
											1,556.13

*Internally generated intangible asset

(₹ in crore)

Particulars	Cost				Accumulated Amortisation					Net Book Value	
	As at 01 April 2021	Additions during the year	Disposals	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposals	Adjustment during the year	As at 31 March 2022	As at 31 March 2021
Electronic Data Processing Software	68.01	6.37	-	(5.09)	79.47	57.43	6.38	-	(5.09)	68.90	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	1,501.47
Telecom Licenses	2.80	-	-	-	2.80	0.55	0.14	-	-	0.69	2.25
Development of 1200 KV TS*	71.86	-	-	-	71.86	34.72	7.25	-	-	41.97	37.14
Total	2,153.38	124.10	-	(14.69)	2,292.17	601.94	122.96	-	(11.14)	736.04	1,551.44

*Internally generated intangible asset

Note 8: Intangible assets under development

(₹ in crore)

Particulars	As at 01 April 2022	Additions	Adjustments	Transferred to Lease Receivables	Capitalised during the year	As at 31 March 2023
Right of Way-Afforestation expenses	31.53	29.46	-	-	29.91	31.08
Total	31.53	29.46	-	-	29.91	31.08

(₹ in crore)

Particulars	As at 01 April 2021	Additions	Adjustments	Transferred to Lease Receivables	Capitalised during the year	As at 31 March 2022
Right of Way-Afforestation expenses	74.86	26.09	-	-	69.42	31.53
Total	74.86	26.09	-	-	69.42	31.53

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 its original plan.

Note 9: Investments

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments in Equity Instruments (Fully paid up)		
Investments at Fair Value through Other Comprehensive Income (OCI)		
Quoted		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	102.06	98.69
Investment in Units of POWERGRID Infrastructure Investment Trust (PG InvIT)		
136500100 (Previous Year 136500100) units (issue price ₹ 100 each)	1,672.40	1,827.74
Investments at Cost (Fully paid up)		
Unquoted		
i) Subsidiary Companies		
Powergrid NM Transmission Limited	490.95	488.95
490950000 (Previous Year 488950000) Equity Shares of ₹10 each.		
Powergrid Vemagiri Transmission Limited	0.05	0.05
50000 (Previous Year 50000) Equity Shares of ₹10 each. (Refer further note 4 below)		
Less: Provision for diminution in the value of Investment	0.05	0.05
	-	-
Powergrid Unchahar Transmission Limited	12.96	12.96
12961067 (Previous Year 12961067) Equity Shares of ₹10 each.		
Powergrid Southern Interconnector Transmission System Limited	709.00	709.00
709004000 (Previous Year 709004000) Equity Shares of ₹10 each		
Powergrid Medinipur Jeerat Transmission Limited	647.00	638.00
647000000 (Previous Year 638000000) Equity Shares of ₹10 each		
Powergrid Mithilanchal Transmission Limited	233.20	233.20
233200000 (Previous Year 233200000) Equity Shares of ₹10 each		
Powergrid Varanasi Transmission System Limited	187.56	186.00
187560000 (Previous Year 186000000) Equity Shares of ₹10 each		

Note 9: Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Powergrid Jawaharpur Firozabad Transmission Limited	89.60	89.60
89600000 (Previous Year 89600000) Equity Shares of ₹10 each		
Powergrid Khetri Transmission System Limited	198.25	198.25
198250000 (Previous year 198250000) Equity Shares of ₹ 10 each		
Powergrid Bhind Guna Transmission Limited	111.95	90.15
111950000 (Previous year 90150000) Equity Shares of ₹ 10 each		
Powergrid Ajmer Phagi Transmission Limited	115.00	115.00
115000000 (Previous Year 115000000) Equity Shares of ₹10 each		
Powergrid Fatehgarh Transmission Limited	141.00	141.00
141000000 (Previous Year 141000000) Equity Shares of ₹10 each		
Powergrid Bhuj Transmission Limited	232.00	180.00
232000000 (Previous Year 180000000) Equity Shares of ₹10 each		
Powergrid Rampur Sambhal Transmission Limited	142.10	109.00
142100000 (Previous Year 109000000) Equity Shares of ₹10 each		
Powergrid Meerut Simbhavali Transmission Limited	195.13	129.71
195130000 (Previous Year 129710000) Equity Shares of ₹10 each		
Central Transmission Utility of India Limited	0.05	0.05
50000 (Previous Year 50000) Equity Shares of ₹10 each		
Powergrid Ramgarh Transmission Limited	25.00	1.10
25000000 (Previous Year 1100000) Equity Shares of ₹10 each		
Powergrid Himachal Transmission Limited	432.50	432.50
300000000 (Previous Year 300000000) Equity Shares of ₹10 each		
Powergrid Bikaner Transmission System Limited	100.00	22.21
100000000 (Previous Year 22210000) Equity Shares of ₹10 each		
Powergrid Sikar Transmission Limited	80.00	47.35
80000000 (Previous Year 47350000) Equity Shares of ₹10 each		
Powergrid Bhadla Transmission limited	32.21	20.31
32210000 (Previous Year 20310000) Equity Shares of ₹10 each		
Powergrid Aligarh Sikar Transmission Limited	77.95	62.35
77950000 (Previous Year 62350000) Equity Shares of ₹10 each		
Powergrid Teleservices Limited	9.00	9.00
9000000 (Previous Year 9000000) Equity Shares of ₹10 each		
Powergrid Gomti Yamuna Transmission Limited	0.01	-
10000 (Previous Year NIL) Equity Shares of ₹10 each		
Powergrid Narela Transmission Limited	0.01	-
10000 (Previous Year NIL) Equity Shares of ₹10 each		
Powergrid Energy Services Ltd	10.00	-
10000000 (Previous Year NIL) Equity Shares of ₹10 each		
Powergrid Neemuch Transmission System Limited	0.05	-
50000 (Previous Year NIL) Equity Shares of ₹10 each		
Powergrid ER NER Transmission Limited	0.05	-
50000 (Previous Year NIL) Equity Shares of ₹10 each		
Khavda II-B Transmission Limited	0.05	-
50000 (Previous Year NIL) Equity Shares of ₹10 each		
Powergrid KPS2 Transmission System Limited	0.05	-
50000 (Previous Year NIL) Equity Shares of ₹10 each		
Khavda RE Transmission Limited	0.05	-
50000 (Previous Year NIL) Equity Shares of ₹10 each		

Note 9: Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Powergrid ERWR Power Transmission Limited 50000 (Previous Year NIL) Equity Shares of ₹10 each	0.05	-
Raipur Pool Dhamtari Transmission Limited 10000 (Previous Year NIL) Equity Shares of ₹10 each	0.01	-
Dharamjaigarh Transmission Limited 10000 (Previous Year NIL) Equity Shares of ₹10 each	0.01	-
Powergrid KPS3 Transmission Limited 50000 (Previous Year NIL) Equity Shares of ₹10 each	0.05	-
Bhadla Sikar Transmission Limited 10000 (Previous Year NIL) Equity Shares of ₹10 each	0.01	-
Khavda II-C Transmission Limited 50000 (Previous Year NIL) Equity Shares of ₹10 each	0.05	-
	4,272.86	3,915.69
ii) Joint Venture Companies		
Torrent Power Grid Limited 23400000 (Previous Year 23400000) Equity Shares of ₹10/- each	23.40	23.40
Parbati Koldam Transmission Company Limited 70937620 (Previous Year 70937620) Equity Shares of ₹10/- each	70.94	70.94
Teestavalley Power Transmission Limited 120120000 (Previous Year 120120000) Equity Shares of ₹10/- each	120.12	120.12
Powerlinks Transmission Limited 229320000 (Previous Year 229320000) Equity Shares of ₹10/- each	229.32	229.32
North East Transmission Company Limited 106964000 (Previous Year 106964000) Equity Shares of ₹10/- each	106.96	106.96
National High Power Test Laboratory Private Limited 30400000 (Previous Year 30400000) Equity Shares of ₹10/- each	30.40	30.40
Less: Provision for diminution in the value of Investment (Refer further note 6 below)	30.40	-
	-	30.40
Cross Border Power Transmission Company Limited 12612473 (Previous Year 12612473) Equity Shares of ₹10/- each	12.62	12.62
Bihar Grid Company Limited 334127260 (Previous Year 322535036) Equity Shares of ₹10/- each	334.13	322.54
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.	4.00	4.00
Less: Provision for diminution in the value of Investment (Refer further note 3 below)	4.00	4.00
	-	-
Energy Efficiency Services Limited 463610000 (Previous Year 463610000) Equity Shares of ₹10/- each (Refer further note 5 below)	463.61	463.61
Butwal-Gorakhpur Cross Border Power Transmission Limited 25000 (Previous Year Nil) Equity Shares of ₹10/- each	0.03	-
	1,367.63	1,386.41
iii) Others		
"Bharat Broadband Network Limited (₹ 10/-) 1 (Previous Year 1) share of ₹10/- each"	-	-
Total	7,414.95	7,228.53

Note 9: Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Further Notes:		
1) a) Aggregate amount of Quoted Investments		
At Cost	1,367.04	1,377.00
Market Value	1,774.46	1,926.43
b) Aggregate amount of Unquoted Investments	5,640.49	5,302.10
c) Aggregate amount of impairment in value of Investment	34.45	4.05

- Investments have been valued as per accounting policy no. 2.13, 2.14 & 2.15.
- 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 (MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL was received on 11.07.2022 from MoS. However, winding up process could not be initiated, as contractor for Site Enabling works has served notice on 17.12.2022 for invocation of Arbitration. Conciliator has been appointed & conciliation proceedings are under progress.
- Refer remarks at Note No 11 for Powergrid Vemagiri Transmission Limited.
- The Company has invested ₹ 407.49 crore during the previous 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 as the Joint control has been reinstated vide agreement dated 01.09.2021.
- Refer note 61(vi) for reconciliation of allowance for impairment.

Note 10: Loans

(considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to Related Parties *		
Loans to Subsidiaries-Unsecured	16,450.85	13,863.33
Loans to JVs-Unsecured		
Considered Good	-	17.48
Credit Impaired	15.02	-
	15.02	17.48
Less: Loss Allowance **	15.02	-
	-	17.48
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	-
Unsecured	-	0.03
	16,450.85	13,880.84
Loans to Employees (including interest accrued)		
Secured #	404.22	352.86
Unsecured	42.22	36.08
	446.44	388.94
Total	16,897.29	14,269.78

Further Notes:

- * Details of loans to related parties is provided in Note 55.
- ** Refer note 61(vi) for reconciliation of allowance for impairment.
- # 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 10A: Trade receivables

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables – Unsecured		
Considered good	695.57	-
Total	695.57	-

Further Notes:

Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade Receivables (Non-current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to ₹153.83 crore has been charged as Other Expense (refer note no. 40) and unwinding thereon amounting to ₹ 77.73 crore has been accounted for as Other Income (refer note no. 36)

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
As at 31.03.2023									
Considered – Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	695.57	-	-	-	-	-	695.57
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Total		-	695.57	-	-	-	-	-	695.57
As at 31.03.2022									
Considered – Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

Note 11: Other Non-current Financial Assets (Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Lease receivables	642.98	590.94
Bank deposits with more than 12 months maturity #	39.56	66.02
Recoverable for GOI fully serviced bonds ##	3,487.50	3,487.50
Advances to related parties (Subsidiaries and Others)*		
Considered doubtful**	19.43	19.42
	19.43	19.42
Less: Provision for doubtful advances**	19.43	19.42
	-	-
Total	4,170.04	4,144.46

Note 11: Other Non-current Financial Assets (Contd.)

Further Notes:

- # Bank deposits 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.
- * 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 (LTTs) 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 LTTs 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 Early hearing application filed in the captioned matter was allowed vide APTEL Order dated 05.07.2021 but due to subsequent vacancy of Chairperson in APTEL matter could not be taken up. The new Chairperson in APTEL was appointed on 02.12.2022 since then the matter was listed on several dates but could not be heard due to paucity of time. The Hon'ble Tribunal heard the matter on 24.02.2023. The matter was listed on several occasions on/after to 21.04.2023, but could not be heard due to paucity of time. The next hearing date is yet to be notified.

Note 12: Other non-current Assets (Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances for Capital Expenditure		
Unsecured		
a. Against bank guarantees	311.54	158.14
b. Others	66.99	124.80
Unsecured considered doubtful	1.19	1.19
	379.72	284.13
Less: Provision for bad & doubtful Advances	1.19	1.19
	378.53	282.94
Advances other than for Capital Expenditure		
Security Deposits	17.03	24.86
Deferred Employee Cost	44.32	36.62
Deferred Foreign currency Fluctuation Asset	4,427.75	4,268.56
Advances recoverable in kind or for value to be received		
Employees	-	0.01
Balance with Customs Port Trust and other authorities	10.53	11.01
Advance tax and Tax deducted at source #	-	139.97
Other Taxes	0.66	0.73

Note 12: Other non-current Assets (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Others*		
Considered Good	33.35	33.03
Considered doubtful	0.37	0.37
	33.72	33.40
Less: Provision for doubtful Advances	0.37	0.37
	33.35	33.03
	44.54	184.75
Total	4,912.17	4,797.73

Further Notes:

Net of Current Tax Liabilities – Note 33.

* Others include amount recoverable from Customers & State Governments, insurance claims etc.

Note 13: Inventories

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(For mode of valuation refer Note 2.10)		
Components, Spares & other spare parts	1,294.19	1,320.97
Loose tools	26.98	26.94
Consumable stores	9.44	11.56
	1,330.61	1,359.47
Less Provision for Shortages/damages etc.	7.06	6.87
Total	1,323.55	1,352.60

Note 14: Trade receivables

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables – Unsecured		
Considered good	12,328.57	8,793.03
Credit Impaired	294.00	300.73
	12,622.57	9,093.76
Receivable from related parties – Unsecured		
Considered good	52.95	43.78
	12,675.52	9,137.54
Less: Loss Allowance	294.00	300.73
Total	12,381.52	8,836.81

Further Notes:

a) 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.

b) Trade Receivables includes Unbilled Receivables relating to transmission segment amounting to ₹ 8,088.77 Crores (Previous Year ₹ 4,446.93 Crores) out of which transmission charges for the month of March including arrear bills for previous quarters, of the financial year amounting to ₹ 6,634.84 crore (Previous Year ₹ 2,941.38 crore) billed to beneficiaries in the month of April of subsequent financial year. Trade receivable also includes

Note 14: Trade receivables (Contd.)

non-tariff income to be passed on to DICs amounting to ₹ 2.44 crore (Previous Year ₹ 35.25 crore) is netted off against unbilled receivables as the same will be billed on net basis.

c) 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 ₹ 1922.61 crore (Previous Year ₹ 4,180.23 crore). Refer note no. 58 for details.

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
As at 31.03.2023									
Considered – Good	Disputed	-	7.77	147.95	70.41	11.29	81.71	161.71	480.84
	Undisputed	8,160.21	2,755.54	633.10	254.07	69.54	19.44	8.78	11,900.68
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	273.78	273.78
	Undisputed	-	-	-	0.40	6.09	0.25	13.48	20.22
Total		8,160.21	2,763.31	781.05	324.88	86.92	101.40	457.75	12,675.52
As at 31.03.2022									
Considered – Good	Disputed	-	118.99	564.30	108.41	119.26	66.55	78.60	1,056.11
	Undisputed	4,487.41	1,495.18	856.53	498.42	399.37	25.69	18.10	7,780.70
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
Total		4,487.41	1,614.17	1,421.39	607.39	519.51	94.42	393.25	9,137.54

e) Disputed Trade receivables amounting to ₹ Nil crore (Previous Year ₹ 799.33 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 2023	As at 31 March 2022
Balance with banks-		
-In Current accounts	1,343.47	594.58
-In designated accounts (For Consultancy clients and others)	240.30	151.41
In term deposits (with maturity less than 3 months)(including interest accrued)*	2,562.47	1,711.46
Others (Stamps and Imprest)	-	0.02
Total	4,146.24	2,457.47

Further Notes:

* Term deposit includes ₹ 808.24 crore (Previous Year ₹ 1190.34 crore) for Consultancy clients and others.

Note 16: Bank Balances other than Cash & cash equivalents

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balance with banks*	29.91	28.64
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	558.29	484.93
Total	588.20	513.57

Further Notes:

* Earmarked balance with Bank includes unpaid dividend.

Note 17: Loans (Considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to Related Parties (including interest accrued)*		
Loans to Subsidiaries - Unsecured	348.07	229.68
Loans to Joint Venture - Unsecured		
Considered Good	-	4.26
Credit Impaired	6.72	-
	6.72	4.26
Less: Loss Allowance**	6.72	-
	-	4.26
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	0.01	-
Unsecured Considered good	0.08	0.08
	348.16	234.02
Loans to Employees (including interest accrued)		
Secured #	60.63	53.22
Unsecured Considered good	46.31	41.03
	106.94	94.25
Total	455.10	328.27

Further Notes:

* Details of loans to related parties is provided in Note No 55.

** Refer note 61(vi) for reconciliation of allowance for impairment.

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 2023	As at 31 March 2022
Lease Receivables	76.72	52.06
Contract Assets #	812.39	5,588.82
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.22
Advance to/Receivable from Related Parties ##	1,138.76	275.56
Others ###		
Considered Good	507.23	443.12
Considered Doubtful	7.94	-
Total	515.17	443.12
Less: Provision for doubtful Advances	7.94	-
	507.23	443.12
Total	2,571.32	6,395.78

Further Notes:

Contract Assets includes ₹ 0.16 Crore (Previous Year ₹ 0.15 Crore) from related parties (refer Note 55). Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

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 2023	As at 31 March 2022
Advances other than for Capital Expenditure		
Advances recoverable in kind or for value to be received		
Contractors & Suppliers	9.95	5.20
Employees	9.11	8.25
Balance with Customs Port Trust and other authorities	28.49	32.31
Claims recoverable	18.83	15.24
	66.38	61.00
Others*		
Considered Good	149.85	149.99
Considered Doubtful	0.01	0.55
	149.86	150.54
Less: Provision for Doubtful Advances	0.01	0.55
	149.85	149.99
Total	216.23	210.99

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 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
Investments in Equity Instruments (fully paid up)				
Associates Companies				
Powergrid Kala Amb Transmission Limited 15860000 (Previous Year 15860000) Equity Shares of ₹10 each	15.86	-	15.86	-
Powergrid Jabalpur Transmission Limited 58996600 (Previous Year 58996600) Equity Shares of ₹10 each	59.00	-	-	59.00
Powergrid Warora Transmission Limited 102258000 (Previous Year 102258000) Equity Shares of ₹10 each	102.26	-	-	102.26
Powergrid Parli Transmission Limited 83746000 (Previous Year 83746000) Equity Shares of ₹10 each	83.74	-	-	83.74
TOTAL	260.86	-	15.86	245.00

Further Notes:

The Company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTI), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTI) 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 PVTI was transferred in March 2022. The balance 26% of remaining SPVs i.e. PKATL, PJTL, PWTI & PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale".

Note 20: Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Assets		
Deferred assets for deferred tax liability	7,880.80	8,654.71
Foreign Currency Fluctuation	2,398.86	1,182.57
Employee Benefits & Other Expenses	4.10	135.76
Total	10,283.76	9,973.04

Further Notes:

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 2023	As at 31 March 2022
Equity Share Capital		
Authorised		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	10,000.00	10,000.00
Issued, subscribed and paid up		
6,97,54,52,864 (Previous Year 6,97,54,52,864) equity shares of ₹10/-each at par fully paid up	6,975.45	6,975.45

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 2023		For the year ended 31 March 2022	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	6975452864	6,975.45	5231589648	5,231.59
Additions during the year *	-	-	1743863216	1,743.86
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	6975452864	6,975.45	6975452864	6,975.45

- * During the previous year, the Company has issued 174,38,63,216 equity shares of ₹ 10/- each as fully paid bonus share 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 2023		As at 31 March 2022		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Government of India (Promoter)	3581163210	51.34	3581163210	51.34	-
Life Insurance Corporation of India	144218603	2.07	415775810	5.96	(3.89)

Note 22: Other Equity

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Reserves and Surplus		
Securities Premium	7,834.43	7,834.43
Bonds Redemption Reserve	4,168.17	5,532.80
Self Insurance Reserve	1,047.96	853.09
General Reserve	58,457.37	50,352.82
Retained Earnings	3,977.97	4,110.89
Other Reserves		
Other Comprehensive Income Reserve	371.61	492.09
Total	75,857.51	69,176.12

Note 22: Other Equity (Contd.)

22.1 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	7,834.43	9,578.29
Addition during the year	-	-
Deduction during the year	-	1,743.86
Balance at the end of the year	7,834.43	7,834.43

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 previous year in accordance with provisions of the Companies Act, 2013.

22.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	5,532.80	7,387.97
Addition during the year	-	-
Deduction during the year	1,364.63	1,855.17
Balance at the end of the year	4,168.17	5,532.80

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 2023	As at 31 March 2022
Balance at the beginning of the year	853.09	722.99
Addition during the year	299.42	291.14
Deduction during the year	104.55	161.04
Balance at the end of the year	1,047.96	853.09

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 (including considered as Lease receivables) and value of inventory except ROU Assets and assets 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.

22.4 General Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	50,352.82	43,191.78
Addition during the year	8,104.55	7,161.04
Deduction during the year	-	-
Balance at the end of the year	58,457.37	50,352.82

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 2023	As at 31 March 2022
Balance at the beginning of the year	4,110.89	3,399.08
Add: Additions		
Net Profit for the period	15,333.02	17,093.76

Note 22: Other Equity (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	17.22	(134.02)
Transfer from Bond Redemption Reserve	1,364.63	1,855.17
Less: Appropriations		
General Reserve	8,000.00	7,000.00
Self Insurance Reserve	299.42	291.14
Interim dividend paid (refer note 59(b))	6,975.45	8,719.32
Final Dividend (refer note 59(b))	1,569.48	2,092.64
Other Adjustments	3.44	-
Balance at the end of the year	3,977.97	4,110.89

22.7 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	492.09	67.14
Addition/Adjustments during the year	(120.48)	424.95
Balance at the end of the year	371.61	492.09

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 2023	As at 31 March 2022
A) BONDS		
A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)		
A1.1 i) Bonds of ₹10 Lakh each		
LV Issue-7.55% Redeemable at par on 21.09.2031	1,289.07	1,289.06
LX Issue-7.20% Redeemable at par on 09.08.2027	3,201.72	3,201.69
LIX Issue-7.30% Redeemable at par on 19.06.2027	3,245.47	3,245.45
XXXIX Issue-9.40% redeemable at par on 29.03.2027	1,801.34	1,801.34
LVIII Issue-7.89% redeemable at par on 09.03.2027	2,070.09	2,070.09
XXXVIII Issue-9.25% redeemable at par on 09.03.2027	859.93	859.93
LVI Issue-7.36% redeemable at par on 18.10.2026	1,100.32	1,100.30
LXII Issue-8.36% Redeemable at par in 5 (five) equal annual installments w.e.f. 07.01.2025	2,038.34	2,038.31
XLII Issue-8.80% redeemable at par on 13.03.2023	-	1,999.08
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		
LIV Issue-7.97% Redeemable w.e.f. 15.07.2021	2,113.43	2,113.41
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		
LII Issue-8.32% redeemable w.e.f. 23.12.2020	952.93	952.91
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
LIII Issue-8.13% Redeemable w.e.f. 25.04.2020	3,224.54	3,582.07

Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
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		
XLIX Issue-8.15% redeemable w.e.f. 09.03.2020	874.36	874.36
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		
XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020	1,309.64	1,309.62
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
LI Issue-8.40% redeemable w.e.f. 14.09.2019	2,091.51	2,352.94
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		
XLVI Issue-9.30% redeemable w.e.f. 04.09.2019	3,062.77	3,062.76
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
L Issue-8.40% redeemable w.e.f. 27.05.2019	2,090.73	2,352.06
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
XLVII Issue-8.93% redeemable w.e.f. 20.10.2018	1,601.34	1,830.10
xi) Bonds of ₹30 Lakh each redeemable at par in 3 equal installments on 15.07.2018, 15.07.2023 and 15.07.2028		
XLIV Issue-8.70% redeemable w.e.f. 15.07.2018	2,807.80	2,807.78
xii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual installments		
XLV Issue-9.65% redeemable w.e.f. 28.02.2018	1,008.00	1,175.99
XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	1,670.26	1,948.63
xiii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual installments.		
XLI Issue-8.85% redeemable w.e.f. 19.10.2016	1,231.45	1,477.73
xiv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual installments		
XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016	1,738.74	1,956.08
xv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual installments		
XL Issue-9.30% redeemable w.e.f. 28.06.2016	1,783.17	2,139.80
XXXVII Issue- 9.25% redeemable w.e.f. 26.12.2015	681.17	851.46
XXXV Issue- 9.64% redeemable w.e.f. 31.05.2015	705.05	881.31
XXXIV Issue- 8.84% redeemable w.e.f. 21.10.2014	906.08	1,208.10
XXXIII Issue- 8.64% redeemable w.e.f. 08.07.2014	765.50	1,020.66
XXXII Issue- 8.84% redeemable w.e.f. 29.03.2014	172.62	258.93
XXXI Issue- 8.90% redeemable w.e.f. 25.02.2014	344.16	516.24

Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
XXX Issue- 8.80% redeemable w.e.f. 29.09.2013	405.99	608.99
XXIX Issue- 9.20% redeemable w.e.f. 12.03.2013	108.67	217.34
XXVIII Issue- 9.33% redeemable w.e.f. 15.12.2012	205.47	410.94
XXVII Issue- 9.47% redeemable w.e.f. 31.03.2012	-	58.76
XXVI Issue- 9.30% redeemable w.e.f. 07.03.2012	-	83.78
XXV Issue- 10.10% redeemable w.e.f. 12.06.2011	-	95.95
	47,461.66	53,753.95
A2) Unsecured		
A2.1 Redeemable Domestic Bonds		
i) Bonds of ₹10 Lakh each		
LXVIII Issue-6.28% redeemable at par on 11.04.2031	520.54	520.54
LXVI Issue-7.38% Redeemable at par on 12.04.2030	508.20	508.18
ii) Bonds of ₹50 Lakhs each consisting of 5 STRPPs of ₹10.00 Lakhs each redeemable at par in 5 (Five) equal annual installments.		
LXI Issue-7.74% redeemable w.e.f. 12.12.2028	3,069.80	3,069.79
iii) Bonds of ₹ 10 Lakh each		
LXIX Issue-6.05% Redeemable at par on 25.03.2027	530.49	530.49
LXVII Issue-6.85% redeemable at par on 15.04.2025	2,984.33	2,984.28
iv) Bonds of ₹10 Lakhs each consisting of 3 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs redeemable at par in 3 (Three) installments on 25.10.2024, 25.10.2029 and 25.10.2034.		
LXIV Issue-7.49% redeemable w.e.f. 25.10.2024	2,601.52	2,601.50
v) Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal installments on 15.07.2024, 15.07.2029 and 15.07.2034.		
LXIII Issue-7.34% redeemable w.e.f. 15.07.2024	1,893.94	1,893.92
vi) Bonds of ₹ 1 Lakhs each redeemable in 40 equal quarterly installments #		
LXXI Issue-7.52% redeemable w.e.f. 17.08.2023	868.56	-
LXXII Issue-7.56% redeemable w.e.f. 17.08.2023	425.07	-
LXX Issue-7.40% redeemable w.e.f. 17.05.2023	2,138.38	-
vii) Bonds of ₹10 Lakh each		
LXV Issue-6.35% Redeemable at par on 14.04.2023	202.89	202.85
A2.2 Redeemable Foreign Currency Bonds		
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	-	3,843.81
	15,743.72	16,155.36
Total (A)	63,205.38	69,909.31
B) Term loans		
From Banks		
Secured		
Foreign Currency Loans (Guaranted by Government of India (GOI))	24,964.95	24,778.09
Other Foreign Currency Loans	7,037.27	7,024.30
Rupee Loans	7,821.01	9,275.02
	39,823.23	41,077.41
Unsecured		
Foreign Currency Loans (Guaranted by GOI)	3,127.73	3,386.96
Other Foreign Currency Loans	2,575.72	2,832.34

Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Rupee Loans	20,119.43	14,941.02
	25,822.88	21,160.32
Total (B)	65,646.11	62,237.73
TOTAL (A to B)	1,28,851.49	1,32,147.04
Less: Current maturities of Non Current Borrowing (refer note 28)	12,003.61	15,165.87
Less: Interest Accrued but not due on borrowings (refer note 30)	2,956.59	2,781.77
Total	113,891.29	114,199.40

Further Notes:

During the year, the company has securitised its cashflows from three of its subsidiaries viz. Powergrid Southern Interconnector Transmission System Limited, Powergrid Mithilanchal Transmission Limited and Powergrid NM Transmission Limited and raised total ₹ 3,412 crore in three tranches to part finance its capital expenditure in pursuance of new National Monetization Pipeline (NMP).

Details of terms of repayment and rate of interest

- Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to Daily SOFR. These loans are repayable in semi annual instalment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹ 408.08 Crore (Previous year ₹ 376.13 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 /EURIBOR/STIBOR). These loans are repayable in semi annual instalment, 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 instalments, 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 instalments 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 instalments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 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.
- 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.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.
- 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

- 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.
- 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.
- Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
 - 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
 - pari passu charge on the assets of the company except investments and current assets or
 - 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 2023	As at 31 March 2022
Deposits/Retention money from contractors and others	70.24	19.80
Govt. of India fully serviced bond *	3,487.50	3,487.50
Dues for Capital Expenditure	6.93	15.70
Total	3,564.67	3,523.00

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 bond issued @ 8.24% redeemable at par on 14.02.2029. Refer Note No 11 for details.

Note 25: Provisions

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Employee Benefits		
As per last balance sheet	517.05	461.93
Additions/(adjustments) during the year	60.56	55.12
Closing Balance	577.61	517.05

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 2023	As at 31 March 2022
A. Deferred Tax Liability		
Difference in book depreciation and tax depreciation	26,323.91	25,172.68
Finance lease assets	130.60	72.18
Others	199.73	207.61
Deferred Tax Liability (A)	26,654.24	25,452.47
B. Deferred Tax Assets		
Income during Construction Period	18.87	18.26
Provisions allowable on payment basis	554.51	532.23
Advance Against Depreciation	246.96	299.92
MAT Credit Entitlement	15,142.61	13,157.43
Others	60.17	19.85
Deferred Tax Assets (B)	16,023.12	14,027.69
Deferred Tax Liability (Net) (A-B)	10,631.12	11,424.78

Further Notes:

Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
As at 01.04.2021	22,623.11	72.47	23.42	22,719.00
Charged/(credited) to profit or loss	2,549.57	(0.29)	130.29	2,679.57

Note 26: Deferred tax liabilities (Net) (Contd.)

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
Charged/(credited) to OCI			53.90	53.90
As at 31.03.2022	25,172.68	72.18	207.61	25,452.47
Charged/(credited) to profit or loss	1,151.23	58.42	10.21	1,219.86
Charged/(credited) to OCI			(18.09)	(18.09)
As at 31.03.2023	26,323.91	130.60	199.73	26,654.24

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
As at 01.04.2021	17.95	514.70	353.20	9,869.07	22.20	10,777.12
Charged/(credited) to profit or loss	0.31	17.53	(53.28)	3,288.36	(2.35)	3,250.57
As at 31.03.2022	18.26	532.23	299.92	13,157.43	19.85	14,027.69
Charged/(credited) to profit or loss	0.61	22.28	(52.96)	1,985.18	40.32	1,995.43
As at 31.03.2023	18.87	554.51	246.96	15,142.61	60.17	16,023.12

Recognised in Statement of Profit and Loss/Other Comprehensive Income (OCI)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Increase/ (Decrease) in Deferred Tax Liabilities	1,219.86	2,679.57
Decrease / (Increase) in Deferred Tax Assets	(1,995.43)	(3,250.57)
Amount charged/(credited) to profit or loss	(775.57)	(571.00)
Increase/ (Decrease) in Deferred Tax Liabilities	(18.09)	53.90
Amount charged/(credited) to OCI	(18.09)	53.90

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 ₹1,985.18crore (Previous Year ₹3,288.36 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 31.03.2023	Expiry Date	As at 31.03.2022	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	-	31.03.2023	1,071.31	31.03.2023

Note 27: Other non-current liabilities

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers (Consultancy/Telecom services) *	194.15	238.08
Others	2.95	2.81
Total	197.10	240.89

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 2023	As at 31 March 2022
Current maturities of long term borrowings		
Secured		
Bonds	5,191.48	6,090.23
Rupee Term Loans	1,454.00	1,454.00
Foreign Currency Loans	2,856.77	2,585.90
	9,502.25	10,130.13
Un-secured		
Bonds	508.90	3,813.41
Rupee Term Loans	1,300.00	550.00
Foreign Currency Loans	692.46	672.33
	2,501.36	5,035.74
	12,003.61	15,165.87
Short Term - Unsecured		
From Banks	700.00	5,300.00
Total	12,703.61	20,465.87

Further Notes:

- Short term loan are unsecured in nature, with rate of interest ranging from 4.45% to 6.70% (Previous Year from 3.75% to 3.95%) and repayable within 90 days (Previous Year in 90 days to 180 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 2023	As at 31 March 2022
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	48.69	47.19
(B) total outstanding dues of creditors other than micro enterprises and small enterprises*	276.33	218.95
Total	325.02	266.14

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 ₹ 1.15 Crore (Previous Year ₹ 0.12 Crore) from related parties (Refer Note No 55).

Note 29: Trade payables (Contd.)

Aging of Trade Payables is as follows:

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
As at 31.03.2023						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	33.34	15.35	-	-	-	48.69
Total	33.34	15.35	-	-	-	48.69
Others						
Disputed	-	-	-	-	-	-
Undisputed	141.21	125.10	8.77	0.63	0.62	276.33
Total	141.21	125.10	8.77	0.63	0.62	276.33
Total Trade payables	174.55	140.45	8.77	0.63	0.62	325.02
As at 31.03.2022						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	12.65	34.54	-	-	-	47.19
Total	12.65	34.54	-	-	-	47.19
Others						
Disputed	-	-	-	-	-	-
Undisputed	85.39	126.66	3.29	1.19	2.42	218.95
Total	85.39	126.66	3.29	1.19	2.42	218.95
Total Trade payables	98.04	161.20	3.29	1.19	2.42	266.14

Note 30: Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings from		
Foreign Banks & Financial Institutions	473.70	86.13
Secured/Unsecured redeemable Bonds	2,482.89	2,695.64
	2,956.59	2,781.77
Interest accrued but not due from Govt. of India fully serviced bonds	36.22	36.22
Others		
Dues for capital expenditure	884.07	734.44
Employee related liabilities	141.81	51.25
Unclaimed dividends & FPO*	29.91	28.64
Deposits/Retention money from contractors and others.	2,528.47	3,010.03
Related parties**	18.94	2.63
Others	796.52	763.92
	4,399.72	4,590.91
Total	7,392.53	7,408.90

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.

Note 31: Other current liabilities

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances from customers *	2,857.98	3,022.08
Advances from customers - related parties #	106.85	82.20
Statutory dues	167.57	99.13
Total	3,132.40	3,203.41

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 2023	As at 31 March 2022
A) Employee Benefits		
i) Performance related pay / special incentive		
As per last balance sheet	438.74	509.83
Addition during the year	427.71	438.74
Amount paid/adjusted during the year	438.74	509.83
Closing Balance	427.71	438.74
ii) Other Employee Benefits		
(Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	251.86	67.65
Additions/(adjustments) during the year	(147.05)	184.21
Closing Balance	104.81	251.86
Total (A)	532.52	690.60
B) Others		
i) Downtime Service Credit-Telecom		
As per last balance sheet	3.25	8.86
Additions during the year	8.59	3.42
Amounts adjusted during the year	10.52	9.03
Closing Balance	1.32	3.25
ii) Provision Others		
As per last balance sheet	238.46	249.54
Additions/(adjustments) during the year	9.11	(11.08)
Closing Balance	247.57	238.46
Total (B)	248.89	241.71
Total (A+B)	781.41	932.31

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.

Note 32: Provisions (Contd.)

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 ₹174.36crore (Previous Year ₹165.24crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹9.74crore (Previous Year ₹8.94crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Note 33: Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Taxation (Including interest on tax)		
As per last balance sheet	8,243.04	9,061.76
Additions during the year	2,971.61	3,143.03
Amount adjusted during the year	8,169.28	3,961.75
Total	3,045.37	8,243.04
Net off against Advance tax and TDS	3,010.77	8,243.04
Closing Balance	34.60	-

Note 34: Deferred Revenue

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance against depreciation	706.73	858.29
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	3,647.89	3,926.11
Addition during the year	1.70	22.04
Adjustments during the year	317.26	300.26
Closing balance	3,332.33	3,647.89
Deferred income from foreign currency fluctuation (Net)	6,124.46	5,008.36
Total	10,163.52	9,514.54

Further Notes:

- Grant in Aid of ₹2.40crore (Previous Year ₹0.00crore) was recognised 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 ₹0.01crore (Previous Year ₹0.02crore) credited to the Grant. An amount of ₹ 6.59 crore is repayable as at the end of reporting period 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 ₹0.34crore (Previous Year ₹0.41crore) including interest has been recognised, from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDSM).

Note 34: Deferred Revenue (Contd.)

- Grant in Aid, of ₹0.00crore (Previous Year ₹27.59crore) 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 ₹0.01crore (Previous Year ₹0.02crore) 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 ₹ 0.00 Crore (Previous Year ₹ 2.99crore) 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. An amount of ₹ 1.06 crore is repayable as at the end of reporting period to MNRE, Govt. of India (GoI) and shown under Other Current Financial Liabilities.

Note 35: Revenue from operations

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services		
Transmission Business		
Transmission Charges	40,467.74	37,659.98
Add: Revenue recognised out of Advance Against Depreciation	151.56	152.46
	40,619.30	37,812.44
Other Operating Revenue	-	
Interest on differential Provisional and Final Tariff	1,161.34	480.78
Income from lease lines	8.81	6.23
Recognised from deferred revenue - Grant in aid	315.33	300.26
	1,485.48	787.27
	42,104.78	38,599.71
Telecom Business	728.98	580.34
Consultancy Project Management and Supervision	509.29	753.34
Total	43,343.05	39,933.39

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:
 - ₹35,385.69crore (Previous Year ₹20,300.18crore) as per final tariff orders issued by CERC for block period 2019-24 and
 - ₹5,233.61crore (Previous Year ₹17,512.26crore) 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 and out of which the company has filed petitions for ₹ 4,855.53 Crore (Previous Year ₹ 15,718.13 crore).
- Consequent to the final order issued by CERC, transmission income includes ₹1,597.30crore(increase)(Previous Year ₹628.80crore(increase)) pertaining to earlier years.
- Refer note no. 65 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 2023	For the year ended 31 March 2022
Interest income from:		
Indian Banks	41.78	122.01
Loans to Subsidiaries	1,115.93	883.07
Loans to Joint Ventures (JVs)	0.07	2.36
Investment in PG InvIT	107.70	68.52
Others*	30.21	36.96
	1,295.69	1,112.92
Interest from advances to contractors	18.23	13.64
Unwinding of interest on financial assets (refer note no. 10A)	77.73	-
	1,391.65	1,126.56
Dividend income from		
Subsidiaries	482.03	436.40
Joint Ventures	77.76	68.38
Associates	58.82	116.75
Investment in PG InvIT	46.14	33.85
Equity Investments designated at fair value through other comprehensive income	6.96	9.00
	671.71	664.38
Others		
Profit on sale of Property, Plant and Equipment	5.98	0.02
Profit on sale of Investment in Mutual Funds	-	15.95
Finance Income from finance lease	150.80	73.12
Surcharge	163.54	364.46
FERV gain	-	0.03
Provisions written back	29.93	13.13
Fair Value gain on initial recognition of Financial liability/ investment	43.32	21.37
Miscellaneous income **	194.37	147.56
	587.94	635.64
	2,651.30	2,426.58
Less: Transferred to expenditure during construction (Net) - Note 43	26.28	24.10
Total	2,625.02	2,402.48

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 2023	For the year ended 31 March 2022
Salaries, wages, allowances & benefits	2,147.44	2,087.20
Contribution to provident and other funds	341.65	269.31

Note 37: Employee benefits expense (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Staff Welfare expenses (Including Deferred Employee cost)	274.81	271.41
	2,763.90	2,627.92
Less: Transferred to Expenditure during Construction (Net) - Note 43	249.04	383.65
Transferred to CSR expenses - Note 40	9.90	9.51
Total	2,504.96	2,234.76

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 ₹ 35.59 crore (Previous Year ₹ 29.32 crore) related to Central Transmission Utility of India Limited (Refer Note No 65 C).

Note 38: Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest and finance charges on financial liabilities at amortised cost		
Indian Banks & Financial Institutions	1,997.81	1,720.44
Foreign Banks and Financial Institutions	1,221.96	396.36
Secured/Unsecured redeemable Bonds	5,044.89	5,569.52
Foreign Currency Bonds	136.55	158.76
Unwinding of discount on financial liabilities	57.31	52.86
Interest - Others	0.21	1.99
Interest on Lease Liability	4.77	3.84
	8,463.50	7,903.77
Other Finance charges		
Commitment charges	-	0.01
Guarantee Fee	337.66	354.83
Others*	16.08	22.94
	353.74	377.78
Exchange differences regarded as adjustment to Borrowing Cost	1,072.04	212.65
	1,425.78	590.43
	9,889.28	8,494.20
Less: Transferred to Expenditure during Construction (Net) - Note 43	145.03	283.26
Total	9,744.25	8,210.94

Further Notes:

* Others includes agency fees, trustee fees, RTA & Listing Fees, Rating Fees, interest on land, tree & crop compensation etc.

Note 39: Depreciation and amortisation expense

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of Property, Plant and Equipment	13,276.96	12,795.29
Amortization of Intangible assets	126.87	122.96
Depreciation on ROU Assets	20.31	21.89
	13,424.14	12,940.14
Less: Transferred to Expenditure During Construction (Net) - Note 43	11.35	12.66
	13,412.79	12,927.48
Less: Depreciation amortised due to FERV adjustment	472.91	376.90
Charged to Statement of Profit & Loss	12,939.88	12,550.58

Note 40: Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repair & Maintenance		
Buildings	103.46	99.19
Plant & Machinery		
Sub-Stations	400.82	431.43
Transmission lines	192.08	190.03
Telecom equipments	59.37	52.55
Others	53.38	44.99
	705.65	719.00
System and Market Operation Charges	88.61	99.99
Power charges	303.51	291.73
Less: Recovery from contractors	0.44	0.89
	303.07	290.84
Expenses of Diesel Generating sets	5.70	4.91
Stores consumed	4.61	5.22
Water charges	5.33	4.34
Right of Way charges-Telecom	84.65	68.73
Patrolling Expenses-Telecom	2.01	2.27
Last Mile connectivity-Telecom	9.36	7.26
Training & Recruitment Expenses	40.42	20.03
Less:Fees for training and application	0.36	0.94
	40.06	19.09
Legal expenses	19.53	15.51
Professional charges	37.18	31.32
Consultancy expenses	1.43	1.07
Communication expenses	22.73	24.28
Inland Travelling Expenses	138.36	111.44
Foreign travel	7.05	3.46
	145.41	114.90

Note 40: Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Tender expenses	1.16	2.23
Less: Sale of tenders	0.87	1.14
	0.29	1.09
Payments to Statutory Auditors		
Audit Fees	1.71	1.57
Tax Audit Fees	0.49	0.44
In Other Capacity	1.32	1.27
Out of pocket Expenses	0.61	0.27
	4.13	3.55
Advertisement and publicity	15.94	8.94
Printing and stationery	4.92	4.73
Books Periodicals and Journals	2.55	1.20
EDP hire and other charges	14.68	11.76
Entertainment expenses	4.52	4.13
Brokerage & Commission	2.00	1.84
Cost Audit and Physical verification Fees	1.29	1.28
Rent #	33.48	34.81
CERC petition & Other charges	86.14	85.99
Miscellaneous expenses	158.22	80.24
Horticulture Expenses	41.71	39.08
Security Expenses	334.57	310.38
Hiring of Vehicle	152.06	138.44
Insurance	139.68	134.40
Rates and taxes	45.65	39.92
License Fees to DOT	64.22	54.09
Bandwidth charges dark fibre lease charges (Telecom)	34.32	22.84
Corporate Social Responsibility (CSR) Expenses *	321.66	271.14
Transit Accomodation Expenses	41.05	38.32
Less : Income from Transit Accomodation	1.76	1.25
	39.29	37.07
Foreign Exchange Rate Variation	293.14	6.72
Fair Valuation Loss on Financial assets (refer note no. 10A)	153.83	-
Provisions for		
Doubtful loans, advances, debts, claims etc.	2.44	4.21
Obsolescence in Stores	3.09	-
Others **	59.65	-
	65.18	4.21
	3,592.26	2,805.77
Less:Transferred to Expenditure during Construction (Net) - Note 43	56.04	62.56
	3,536.22	2,743.21
Loss on Disposal/Write off of Property, Plant & Equipment	28.07	28.41
Total	3,564.29	2,771.62

Note 40: Other expenses (Contd.)

Further Notes:

- * Includes an amount of ₹ 9.90 crore (Previous Year ₹ 9.51 crore) transferred from Note No 37- 'Employee Benefits Expense'
- ** Includes an amount of ₹ 52.14 crore towards impairment of investment in and loan (interest accrued thereon) to National High Power Test Laboratory Private Ltd (NHPTL) {Refer note 61(vi)}.
- # Refer Note No 50 for Short-term leases expenses.
- Other expenses includes ₹ 7.58 crore (Previous Year ₹ 6.55 crore) related to Central Transmission Utility of India Limited (Refer Note No 65 C).

Note 41: Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred assets for deferred tax liability	(773.91)	(727.94)
Foreign Currency Fluctuation	1,216.29	93.03
Employee Benefits and Other Expenses	(131.66)	1.60
	310.72	(633.31)
Tax on net movement in regulatory deferral account balances	54.29	(110.65)
Total	256.43	(522.66)

Further Notes:

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 2023	For the year ended 31 March 2022
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	(142.01)	478.85
Provisions for actuarial valuation	39.56	(196.74)
	(102.45)	282.11
Less: Transferred to Expenditure during Construction(Net) - Note 43	18.69	(34.34)
	(121.14)	316.45
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Current Tax	3.65	(28.38)
Deferred Tax	(18.09)	53.90
	(14.44)	25.52
Items that will not be reclassified to Profit or Loss (net of tax)	(106.70)	290.93

Further Notes:

Other Comprehensive Income includes ₹ (0.41) crore (Previous Year ₹ 0.05 crore) related to Central Transmission Utility of India Limited (Refer Note No 65 C).

Note 43: Expenditure during Construction (Net)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	207.05	319.75
Contribution to provident and other funds	29.40	43.07
Welfare expenses	12.59	20.83
Total (A)	249.04	383.65
B. Other Expenses		
Repair and maintenance	0.08	1.04
Power charges (net off recovery from contractors)	3.33	2.95
Expenses on Diesel Generating sets	0.09	0.06
Water charges	0.10	0.08
Legal expenses	1.04	1.47
Professional charges	4.67	3.80
Consultancy expenses	0.07	0.19
Communication expenses	1.29	2.58
Travelling & Conv.exp. (Including Foreign Travel)	16.78	19.52
Tender expenses	1.38	1.08
Less: Sale of tenders	0.85	1.06
	0.53	0.02
Printing and stationery	0.15	0.16
EDP hire and other charges	0.02	0.06
Entertainment expenses	0.02	0.03
Brokerage and commission	0.01	0.01
Rent	0.67	0.76
Miscellaneous expenses	6.08	4.11
Security Expenses	7.58	12.80
Hiring of Vehicles	7.36	9.53
Insurance	0.06	-
Rates and taxes	4.91	1.95
Bandwidth charges, dark fibre lease charges(Telecom)	0.39	0.38
Transit Accomodation Expenses	0.81	1.08
Less : Income from Transit Accomodation	-	0.02
	0.81	1.06
Total (B)	56.04	62.56
C. Depreciation/Amortisation	11.35	12.66
Total (C)	11.35	12.66
D. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	72.79	109.55
Foreign Banks and Financial Institutions	2.46	16.82
Secured/Unsecured Redeemable Bonds	62.18	107.78
Foreign Currency Bonds	-	0.84
Others	5.88	3.74

Note 43: Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	143.31	238.73
b) Other finance charges		
Guarantee fee & others	0.36	11.12
	0.36	11.12
c) FERV adjustment to borrowing cost	1.36	33.41
Total (D)	145.03	283.26
E. Less: Other Income		
Interest from		
Contractors	9.95	12.75
Others	0.03	0.93
	9.98	13.68
Miscellaneous income	16.30	10.42
Total (E)	26.28	24.10
F. Less: Other Comprehensive Income		
Other Comprehensive Income	18.69	(34.34)
Total (F)	18.69	(34.34)
Grand Total (A+B+C+D-E-F)	416.49	752.37

44. Research expenditure recognised as expense in the statement of Profit and Loss during the year is ₹28.61crore (Previous Year ₹2.85crore).

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 31.03.2023	As at 31.03.2022
Transaction price related to unsatisfied (or partially satisfied) performance obligation	1,023.65	1,519.30
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 31.03.2023	For the year ended 31.03.2022
Balance at the beginning	5,588.82	2,157.17
Add: Revenue recognised during the period	1,815.89	8,301.35
Less: Invoiced/transferred to trade receivables during the period	6,592.32	4,869.70
Balance at the end	812.39	5,588.82

46. Disclosure as per Ind AS 115 – “Revenue from Contracts with Customers” (Contd.)

c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Balance at the beginning	1,022.73	1,035.14
Add: Advance billing during the period	537.39	865.78
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	405.47	691.95
b) From contract liability recognised during the period	68.47	186.42
Add: Translation gain/(Loss)	0.40	0.18
Balance at the end	1,086.58	1,022.73

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:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Contracted price	41,371.03	38,675.45
Add/ (Less)- Discounts/ rebates provided to customer	(210.71)	(163.40)
Add/ (Less)- Performance bonus	480.16	400.96
Add/ (Less)- Adjustment for significant financing component	65.53	80.65
Add/ (Less)- Other adjustments	1,637.04	939.73
Revenue recognised in profit or loss statement	43,343.05	39,933.39

47. (i) FERV Loss of ₹1,589.78crore (Previous Year FERV Loss of ₹568.13crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Intangible Assets/Lease Receivables.

(ii) FERV Loss of ₹293.14crore (Previous Year FERV Loss of ₹6.69crore) has been recognised in the Statement of Profit and Loss.

48. Borrowing cost capitalised during the year is ₹145.03crore (Previous Year ₹283.26crore) 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	48.69	47.19	23.39	5.43

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Interest	-	-	-	-
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	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
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:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Gross investment in Lease	1,590.02	1,377.63
Un-earned Finance Income	951.49	835.91
Present value of Minimum Lease Payment (MLP)	638.53	541.72

(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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Not later than one year	160.55	131.32	73.74	51.92
Later than one year and not later than two years	160.55	131.32	73.18	53.03

50. Disclosure as per Ind AS 116 – "Leases" (Contd.)

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Later than two years and not later than three years	159.19	131.32	68.01	54.29
Later than three years and not later than four years	151.33	131.32	64.83	55.71
Later than four years and not later than five years	140.76	131.32	58.24	57.31
Later than five years	817.64	721.03	300.53	269.46
Total	1,590.02	1,377.63	638.53	541.72

(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 ₹81.17crore (Previous Year ₹101.28crore). 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 ₹31.53crore (Previous Year ₹32.90crore) 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 ₹4.45crore (Previous Year ₹7.09crore).

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.

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

51. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

ended 31.03.2023 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.

During the current year, CERC vide order dated 26.12.2022 has disallowed the claim amounting to ₹134.16 crore on account of pay revision (2017) which was accounted as Regulatory Deferral Account Balances. Accordingly, the company has reversed the amount shown as recoverable from the beneficiaries in the current year under the head Net Movement in Regulatory Deferral Account Balances-Income/(Expenses)(Net of Tax). An appeal against order dated 26.12.2022 has been filed before Hon'ble Appellate Tribunal for Electricity barring Appeal No. 236 of 2023. Hon'ble Appellate Tribunal has issued notice to respondents.

The cumulative amount of ₹ 4.10 crore (cumulative previous year amount of ₹1.60 crore) is recoverable on account of other expenses which are not capitalised but allowed as capital cost as per CERC Tariff Regulations and was accounted as Regulatory Deferral Account Balances. Amount of regulatory deferral account balances is on undiscounted basis.

iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

- regulatory risk on account of changes in regulations.
- 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 31.03.2023	As at 31.03.2022
A. Opening Balance	9,973.04	10,606.35
B. Addition/(deduction) during the year	427.69	(557.90)
C. Amount collected/refunded during the year	116.97	75.41
D. Regulated Income/(Expense) recognised in the statement of Profit and Loss (B-C)	310.72	(633.31)
E. Closing Balance (A+D)	10,283.76	9,973.04
F. Tax on Regulated Income/(Expense) recognised in the statement of Profit and Loss	54.29	(110.65)

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 31.03.2023	As at 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Subsidiaries				
Powergrid NM Transmission Limited	867.35	905.06	905.06	908.36
Powergrid Vizag Transmission Limited	-	-	-	783.99
Powergrid Unchahar Transmission Limited	33.34	34.59	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

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 31.03.2023	As at 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Powergrid Southern Interconnector Transmission System Limited	2,491.97	2,651.33	2,659.59	2,745.28
Powergrid Medinipur Jeerat Transmission Limited	2,433.71	2,523.54	2,566.25	2,523.54
Powergrid Mithilanchal Transmission Limited	933.41	927.38	945.98	927.38
Powergrid Varanasi Transmission System Limited	742.43	739.49	758.35	744.72
Powergrid Jawaharpur Firozabad Transmission Limited	349.51	345.66	351.03	348.15
Powergrid Khetri Transmission System Limited	761.89	786.71	786.83	786.71
Powergrid Bhuj Transmission Limited	912.31	765.75	912.31	765.75
Powergrid Bhind Guna Transmission Limited	427.10	366.65	431.10	366.65
Powergrid Ajmer Phagi Transmission Limited	461.35	466.79	467.00	473.18
Powergrid Fatehgarh Transmission Limited	515.55	517.06	524.63	520.82
Powergrid Rampur Sambhal Transmission Limited	590.98	439.80	590.98	439.80
Powergrid Meerut Simbhavali Transmission Limited	800.92	614.99	800.92	614.99
Powergrid Ramgarh Transmission Limited	228.61	91.84	228.61	91.84
Powergrid Himachal Transmission Limited	67.14	115.14	115.14	159.14
Powergrid Bikaner Transmission System Limited	1,014.14	424.59	1,014.14	424.59
Powergrid Sikar Transmission Limited	760.08	478.97	760.08	478.97
Powergrid Bhadla Transmission Limited	457.63	279.72	457.63	279.72
Powergrid Aligarh Sikar Transmission Limited	785.47	571.25	785.47	571.25
Powergrid Narela Transmission Limited	425.23	-	425.23	-
Powergrid Gomti Yamuna Transmission Limited	429.95	-	429.95	-
Powergrid Neemuch Transmission System Limited	184.51	-	184.51	-
Powergrid ER NER Transmission Limited	14.93	-	14.93	-
Joint Ventures				
National High Power Test Laboratory Private Limited (fully provided for)	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	-	-	-	29.29
Total	16,707.91	14,064.71	17,168.71	19,248.08

- 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 31.03.2023	For the year ended 31.03.2022
A	Gross Amount required to be spent during the year	311.97	257.07
B	Amount approved by the Board to be spent during the year	311.97	257.07

53. Corporate Social Responsibility (CSR) Expenses (Contd.)

(₹ in crore)

Sl. No.	PARTICULARS	For the year ended 31.03.2023	For the year ended 31.03.2022
C	Amount spent on CSR –		
(i)	Construction or acquisition of any asset	138.81	117.30
(ii)	on Purpose other than (i) above	182.85	153.84
D	Total Shortfall/(Excess) amount	(9.69)	(14.07)
E	Break-up of the amount spent on CSR		
1	Education and Skill Development expenses	56.08	53.33
2	Ecology and Environment Expenses	10.73	5.28
3	Health and Sanitation expenses	229.43	189.72
4	Sports, Art and Culture expenses	4.27	1.74
5	Protection of national heritage, art and culture including restoration of building and sites of historical importance	0.03	1.36
6	Other CSR activities	10.25	9.74
7	Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	10.87	9.97
	Total Amount spent on CSR	321.66	271.14
	Opening CSR Liability/Provision	11.32	6.81
	Add: CSR Expense	321.66	271.14
	Less: Amount paid in Cash	310.37	266.63
	Closing CSR Liability/Provision	22.61	11.32

Excess amount spent and carried forward to next financial year:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening Balance	20.76	6.69
Amount required to be spent during the year	311.97	257.07
Amount spent during the year	321.66	271.14
Closing Balance	30.45	20.76

The set off for amount carried forward is available in the succeeding years is not recognised as an asset as a matter of prudence, considering the uncertainty involved in the adjustment of the same in future years.

54. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2023		As at 31.03.2022	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Investments				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	102.06		98.69	
POWERGRID Infrastructure Investment Trust (136500100 units)	1,672.40		1,827.74	
Trade Receivables		13,077.09		8,836.81

54. Fair Value Measurement (Contd.)

(₹ in crore)

Financial Instruments by category	As at 31.03.2023		As at 31.03.2022	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Loans		17,352.39		14,598.05
Cash & cash Equivalents		4,146.24		2,457.47
Bank Balance		627.76		579.59
<u>Other Financial Assets</u>				
Current		2,571.32		6,395.78
Non-Current		4,130.48		4,078.44
Total Financial assets	1,774.46	41,905.28	1,926.43	36,946.14
Financial Liabilities				
Borrowings		1,29,551.49		1,37,447.04
Trade Payables		325.02		266.14
<u>Other Financial Liabilities</u>				
Current		4,435.94		4,627.13
Non-Current		3,564.67		3,523.00
Total financial liabilities	-	1,37,877.12	-	1,45,863.31

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial instruments that are measured at Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
As at 31.03.2023				
Financial Assets				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	102.06	-	-	102.06
POWERGRID Infrastructure Investment Trust (136500100 units)	1,672.40	-	-	1,672.40
Total Financial Assets	1,774.46	-	-	1,774.46

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
As at 31.03.2022				
Financial Assets				
<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
Total Financial Assets	1,926.43	-	-	1,926.43

54. Fair Value Measurement (Contd.)

These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the company believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2023		As at 31.03.2022	
		Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets					
Loans					
Loans to Subsidiaries	2	16,798.92	16,637.39	14,093.01	13,984.84
Loans to Joint Venture	2	-	-	21.74	18.27
Loans to employees	2	553.47	467.33	483.30	448.43
Non-current Trade receivables	2	695.57	606.55	-	-
Total Financial Assets		18,047.96	17,711.27	14,598.05	14,451.54
Financial Liabilities					
Borrowings	2	1,29,551.49	1,30,177.14	1,37,447.04	1,41,617.91
Deposits/retention money from contractors and others	2	3,600.89	3,741.03	3,559.22	3,844.04
Total financial liabilities		1,33,152.38	1,33,918.17	1,41,006.26	1,45,461.95

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.

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 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 31.03.2023	As at 31.03.2022
Powergrid Vemagiri Transmission Limited	India	100%	100%
Powergrid NM Transmission Limited	India	100%	100%
Powergrid Unchahar Transmission Limited	India	100%	100%
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%
Powergrid Mithilanchal Transmission Limited	India	100%	100%
Powergrid Varanasi Transmission System Limited	India	100%	100%
Powergrid Jawaharpur Firozabad Transmission Limited	India	100%	100%
Powergrid Khetri Transmission System Limited	India	100%	100%
Powergrid Bhuj Transmission Limited	India	100%	100%
Powergrid Bhind Guna Transmission Limited	India	100%	100%
Powergrid Ajmer Phagi Transmission Limited	India	100%	100%
Powergrid Fatehgarh Transmission Limited	India	100%	100%
Powergrid Rampur Sambhal Transmission Limited	India	100%	100%
Powergrid 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%
Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India	100%	100%
Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	India	100%	100%
Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	India	100%	100%
Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	India	100%	100%
Powergrid Teleservices Limited	India	100%	100%
Powergrid Energy Services Limited	India	100%	100%
Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited) ¹	India	100%	NA
Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited) ²	India	100%	NA
Powergrid Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited) ³	India	100%	NA
Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited) ⁴	India	100%	NA

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 31.03.2023	As at 31.03.2022
Powergrid ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited) ⁵	India	100%	NA
Khavda RE Transmission Limited ⁵	India	100%	NA
Khavda II-B Transmission Limited ⁵	India	100%	NA
Khavda II-C Transmission Limited ⁵	India	100%	NA
Powergrid KPS2 Transmission System Limited (Erstwhile KPS2 Transmission Limited) ⁵	India	100%	NA
Powergrid KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited) ⁵	India	100%	NA
Raipur Pool Dhamtari Transmission Limited ⁶	India	100%	NA
Dharamjaigarh Transmission Limited ⁶	India	100%	NA
Bhadla Sikar Transmission Limited ⁶	India	100%	NA
¹ 100% equity acquired from PFC Consulting Limited on 11.05.2022			
² 100% equity acquired from PFC Consulting Limited on 30.05.2022			
³ 100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022			
⁴ 100% equity acquired from REC Power Development and Consultancy Limited on 10.10.2022			
⁵ 100% equity acquired from REC Power Development and Consultancy Limited on 21.03.2023			
⁶ 100% equity acquired from PFC Consulting Limited on 28.03.2023			

(b) Joint Ventures

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2023	As at 31.03.2022
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 ¹	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 ²	India	33.33%	33.33%
Cross Border Power Transmission Company Limited ³	India	26%	26%
RINL Powergrid TLT Private Limited ⁴	India	50%	50%
Butwal-Gorakhpur Cross Border Power Transmission Limited ⁵	India	50%	NA
Power Transmission Company Nepal Limited	Nepal	26%	26%

¹ 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.

55. Disclosure as per Ind AS 24 – "Related Party Disclosures" (Contd.)

² The Company has invested ₹ 407.49 crore during the previous 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.

³ 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). Presently, the proposal is under review by NCLAT.

⁴ 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(MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL was received on 11.07.2022 from MoS. However, winding up process could not be initiated, as contractor for Site Enabling works has served notice on 17-12-2022 for invocation of Arbitration. Conciliator has been appointed & conciliation proceedings are under progress.

⁵ Incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal – Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

Subsidiaries of Joint Ventures Companies

- EESL EnergyPro Assets Limited*
- EESL Energy Solutions LLC*
- Convergence Energy Services Limited

*Incorporated outside India

(c) Associates

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2023	As at 31.03.2022
Powergrid Vizag Transmission Limited ¹	India	NA	0%
Powergrid Kala Amb Transmission Limited ²	India	26%	26%
Powergrid Jabalpur Transmission Limited ²	India	26%	26%
Powergrid Warora Transmission Limited ²	India	26%	26%
Powergrid Parli Transmission Limited ²	India	26%	26%
¹ 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"			
² 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 & Additional Charge of Director (Operations) from 01.06.2022 to 12.08.2022 & Additional Charge of Director (Finance) from 01.08.2022 to 21.09.2022.
Smt. Seema Gupta	Director (Operations) till 31.05.2022
Shri Vinod Kumar Singh	Director (Personnel)
Shri M. Taj Mukarrum	Director (Finance) and CFO till 31.07.2022
Shri Abhay Choudhary	Director (Projects)
Shri R. K. Tyagi	Director (Operations) from 12.08.2022
Shri G Ravisankar	Director (Finance) from 21.09.2022 & CFO from 26.09.2022

55. Disclosure as per Ind AS 24 – "Related Party Disclosures" (Contd.)

Independent Directors

Name	Designation
Shri M.N. Venkatesan	Independent Director till 10.07.2022
Shri Onkarappa K.N.	Independent Director
Shri Chetan Bansilal Kankariya	Independent Director
Shri Ram Naresh Tiwari	Independent Director

Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director from 04.01.2021 to 30.04.2022 and reappointed from 06.06.2022
Shri Ghanshyam Prasad	Government Nominee Director from 21.12.2021 to 14.07.2022
Shri Mohammad Afzal	Government Nominee Director from 11.10.2022
Shri Madhav Rajendran Raghuraj	Government Nominee Director from 05.08.2022 to 11.10.2022
Shri Pramod Kumar	CFO from 08.08.2022 to 26.09.2022
Shri Mrinal Srivastava	Company Secretary

(e) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
Powergrid Employees Provident Fund 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

(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 with related parties

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

55. Disclosure as per Ind AS 24 – "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Amounts Receivable		
Loans to Subsidiaries		
Powergrid NM Transmission Limited	867.35	905.06
Powergrid Unchahar Transmission Limited	33.34	34.59
Powergrid Southern Interconnector Transmission System Limited	2,491.97	2,651.33
Powergrid Medinipur Jeerat Transmission Limited	2,433.71	2,523.54
Powergrid Mithilanchal Transmission Limited	933.41	927.38
Powergrid Varanasi Transmission System Limited	742.43	739.49
Powergrid Jawaharpur Firozabad Transmission Limited	349.51	345.66
Powergrid Khetri Transmission System Limited	761.89	786.71
Powergrid Bhuj Transmission Limited	912.31	765.75
Powergrid Bhind Guna Transmission Limited	427.10	366.65
Powergrid Ajmer Phagi Transmission Limited	461.35	466.79
Powergrid Fatehgarh Transmission Limited	515.55	517.06
Powergrid Rampur Sambhal Transmission Limited	590.98	439.80
Powergrid Meerut Simbhavali Transmission Limited	800.92	614.99
Powergrid Ramgarh Transmission Limited	228.61	91.84
Powergrid Himachal Transmission Limited	67.14	115.14
Powergrid Bikaner Transmission System Limited	1,014.14	424.59
Powergrid Sikar Transmission Limited	760.08	478.97
Powergrid Bhadla Transmission Limited	457.63	279.72
Powergrid Aligarh Sikar Transmission Limited	785.47	571.25
Powergrid Narela Transmission Limited	425.23	-
Powergrid Gomti Yamuna Transmission Limited	429.95	-
Powergrid Neemuch Transmission System Limited	184.51	-
Powergrid ER NER Transmission Limited	14.93	-
Total	16,689.51	14,046.31
Loans to Joint Ventures		
National High Power Test Laboratory Private Limited (fully provided for)	18.40	18.40
Total	18.40	18.40
Interest Accrued on loan to Subsidiaries		
Powergrid Southern Interconnector Transmission System Limited	0.74	-
Powergrid Medinipur Jeerat Transmission Limited	14.80	0.10
Powergrid Mithilanchal Transmission Limited	-	0.02
Powergrid Varanasi Transmission System Limited	-	0.11
Powergrid Jawaharpur Firozabad Transmission Limited	3.71	0.04
Powergrid Khetri Transmission System Limited	-	4.04
Powergrid Bhuj Transmission Limited	-	12.77
Powergrid Bhind Guna Transmission Limited	-	7.71
Powergrid Fatehgarh Transmission Limited	-	2.68
Powergrid Rampur Sambhal Transmission Limited	10.21	3.53
Powergrid Meerut Simbhavali Transmission Limited	13.49	6.77

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Powergrid Ramgarh Transmission Limited	3.89	0.45
Powergrid Bikaner Transmission System Limited	16.04	2.03
Powergrid Sikar Transmission Limited	12.47	2.41
Powergrid Bhadla Transmission Limited	7.98	1.42
Powergrid Aligarh Sikar Transmission Limited	13.46	2.62
Powergrid Narela Transmission Limited	4.61	-
Powergrid Gomti Yamuna Transmission Limited	5.21	-
Powergrid Neemuch Transmission System Limited	2.63	-
Powergrid ER NER Transmission Limited	0.17	-
Total	109.41	46.70
Interest Accrued on loan to Joint Ventures		
National High Power Test Laboratory Private Limited (fully provided for)	3.34	3.34
Total	3.34	3.34
Loans to Key Managerial Personnel	0.09	0.11
Other receivables		
Subsidiaries		
Powergrid Vemagiri Transmission Limited (fully provided - refer note no. 11)	19.43	19.42
Powergrid NM Transmission Limited	0.12	0.12
Powergrid Unchahar Transmission Limited	2.03	2.51
Powergrid Southern Interconnector Transmission System Limited	0.17	0.18
Powergrid Medinipur Jeerat Transmission Limited	0.30	1.93
Powergrid Varanasi Transmission System Limited	0.06	0.74
Powergrid Jawaharpur Firozabad Transmission Limited	14.35	8.27
Powergrid Khetri Transmission System Limited	2.48	5.07
Powergrid Bhuj Transmission Limited	2.93	0.94
Powergrid Bhind Guna Transmission Limited	0.09	0.28
Powergrid Ajmer Phagi Transmission Limited	0.71	0.13
Powergrid Fatehgarh Transmission Limited	1.09	2.48
Powergrid Rampur Sambhal Transmission Limited	7.00	3.44
Powergrid Meerut Simbhavali Transmission Limited	0.08	1.98
Central Transmission Utility of India Limited	640.75	270.01
Powergrid Ramgarh Transmission Limited	0.02	0.31
Powergrid Himachal Transmission Limited	1.20	0.78
Powergrid Bikaner Transmission System Limited	3.86	3.06
Powergrid Sikar Transmission Limited	1.86	1.35
Powergrid Bhadla Transmission Limited	0.33	1.11
Powergrid Aligarh Sikar Transmission Limited	1.20	5.03
Powergrid Teleservices Limited	0.48	0.48
Powergrid Energy Services Limited	18.43	0.09
Powergrid Narela Transmission Limited	22.37	-
Powergrid Gomti Yamuna Transmission Limited	4.56	-

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Powergrid Neemuch Transmission System Limited	1.49	-
Powergrid ERWR Power Transmission Limited	6.84	-
Khavda RE Transmission Limited	53.07	-
Khavda II-B Transmission Limited	75.78	-
Khavda II-C Transmission Limited	153.65	-
Powergrid KPS2 Transmission System Limited	37.24	-
Powergrid KPS3 Transmission Limited	12.42	-
Raipur Pool Dhamtari Transmission Limited	7.36	-
Dharamjaigarh Transmission Limited	6.79	-
Bhadla Sikar Transmission Limited	101.88	-
Total	1,202.42	329.71
Joint Ventures		
Powerlinks Transmission Limited	0.11	0.13
Torrent Power Grid Limited	0.25	0.17
Parbati Koldam Transmission Company Limited	0.39	0.38
Teestavalley Power Transmission Limited	2.86	6.55
North East Transmission Company Limited	0.32	-
National High Power Test Laboratory Private Limited	0.01	0.01
Bihar Grid Company Limited	0.15	0.01
Energy Efficiency Services Limited	2.82	1.12
Cross Border Power Transmission Company Limited	1.08	0.02
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.01	-
Total	8.00	8.39
Associates		
Powergrid Kala Amb Transmission Limited	0.16	0.15
Powergrid Jabalpur Transmission Limited	0.09	0.09
Powergrid Warora Transmission Limited	0.33	0.28
Powergrid Parli Transmission Limited	0.30	0.29
Total	0.88	0.81
Other receivables	1,211.30	338.91
Advances / Amounts Payable		
Subsidiaries		
Powergrid Southern Interconnector Transmission System Limited	1.50	-
Powergrid Khetri Transmission System Limited	-	0.06
Central Transmission Utility of India Limited	0.18	0.13
Powergrid Ramgarh Transmission Limited	14.90	-
Joint Ventures		
Powerlinks Transmission Limited	0.05	0.04
Teestavalley Power Transmission Limited	55.37	55.93
North East Transmission Company Limited	7.18	14.93
National High Power Test Laboratory Private Limited	33.01	-
Energy Efficiency Services Limited	2.34	2.56
Cross Border Power Transmission Company Limited	11.26	11.26

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Associates		
Powergrid Warora Transmission Limited	-	0.01
Powergrid Parli Transmission Limited	-	0.03
Subsidiary of Joint Ventures:		
Convergence Energy Services Limited	1.15	-
Total payables to related parties	126.94	84.95
Other Related Parties		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees Provident Fund Trust	27.26	0.21
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	0.57	0.07
Powergrid Employees Gratuity Fund Trust	(12.02)	12.70
Powergrid Employees Post-Retirement Medical Benefit Trust	12.03	(0.58)
Total	27.84	12.40

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 31.03.2023	For the year ended 31.03.2022
Services provided by the Company		
Consultancy Income		
Subsidiaries		
Powergrid NM Transmission Limited	3.01	2.90
Powergrid Vizag Transmission Limited	-	0.40
Powergrid Unchahar Transmission Limited	1.37	1.32
Powergrid Kala Amb Transmission Limited	-	0.50
Powergrid Jabalpur Transmission Limited	-	0.32
Powergrid Warora Transmission Limited	-	1.25
Powergrid Parli Transmission Limited	-	1.25
Powergrid Southern Interconnector Transmission System Limited	11.47	10.79
Powergrid Medinipur Jeerat Transmission Limited	17.69	16.14
Powergrid Mithilanchal Transmission Limited	15.11	14.04
Powergrid Varanasi Transmission System Limited	1.21	2.89
Powergrid Jawaharpur Firozabad Transmission Limited	6.25	6.61
Powergrid Khetri Transmission System Limited	8.94	5.76
Powergrid Bhuj Transmission Limited	4.31	9.54
Powergrid Bhind Guna Transmission Limited	3.92	3.36
Powergrid Ajmer Phagi Transmission Limited	2.55	2.63
Powergrid Fatehgarh Transmission Limited	3.72	3.06
Powergrid Rampur Sambhal Transmission Limited	4.92	7.66
Powergrid Meerut Simbhalvali Transmission Limited	2.57	9.76

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Powergrid Ramgarh Transmission Limited	2.24	1.55
Powergrid Himachal Transmission Limited	0.71	0.69
Powergrid Bikaner Transmission System Limited	10.62	9.08
Powergrid Sikar Transmission Limited	4.69	13.35
Powergrid Bhadla Transmission Limited	2.55	7.31
Powergrid Aligarh Sikar Transmission Limited	2.93	14.38
Powergrid Narela Transmission Limited	5.96	-
Powergrid Gomti Yamuna Transmission Limited	10.90	-
Powergrid Neemuch Transmission System Limited	1.38	-
Powergrid ER NER Transmission Limited	0.42	-
Powergrid ERWR Power Transmission Limited	0.07	-
Khavda RE Transmission Limited	1.17	-
Khavda II-B Transmission Limited	1.28	-
Khavda II-C Transmission Limited	1.79	-
Powergrid KPS2 Transmission System Limited	1.36	-
Powergrid KPS3 Transmission Limited	1.03	-
Raipur Pool Dhamtari Transmission Limited	0.07	-
Dharamjaigarh Transmission Limited	0.19	-
Bhadla Sikar Transmission Limited	1.89	-
Total	138.29	146.54
Joint Ventures		
Torrent Power Grid Limited	0.71	0.69
Teestavalley Power Transmission Limited	1.10	0.53
North East Transmission Company Limited	0.73	1.25
Bihar Grid Company Limited	1.06	1.03
Cross Border Power Transmission Company Limited	1.55	1.88
Total	5.15	5.38
Associates		
Powergrid Vizag Transmission Limited	-	3.15
Powergrid Kala Amb Transmission Limited	4.58	4.66
Powergrid Jabalpur Transmission Limited	3.01	2.67
Powergrid Warora Transmission Limited	9.14	7.89
Powergrid Parli Transmission Limited	8.99	7.75
Total	25.72	26.12
Consultancy Income	169.16	178.04
Interest Income		
Subsidiaries		
Powergrid NM Transmission Limited	70.61	70.60
Powergrid Vizag Transmission Limited	-	6.91
Powergrid Unchahar Transmission Limited	2.78	2.90
Powergrid Kala Amb Transmission Limited	-	1.60
Powergrid Jabalpur Transmission Limited	-	9.85

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Powergrid Warora Transmission Limited	-	12.73
Powergrid Parli Transmission Limited	-	10.91
Powergrid Southern Interconnector Transmission System Limited	187.36	190.97
Powergrid Medinipur Jeerat Transmission Limited	186.00	174.34
Powergrid Mithilanchal Transmission Limited	67.25	62.72
Powergrid Varanasi Transmission System Limited	54.38	48.92
Powergrid Jawaharpur Firozabad Transmission Limited	24.95	23.79
Powergrid Khetri Transmission System Limited	55.13	49.41
Powergrid Bhuj Transmission Limited	62.69	34.93
Powergrid Bhind Guna Transmission Limited	28.97	20.90
Powergrid Ajmer Phagi Transmission Limited	32.48	31.72
Powergrid Fatehgarh Transmission Limited	36.49	33.83
Powergrid Rampur Sambhal Transmission Limited	39.09	14.43
Powergrid Meerut Simbhavali Transmission Limited	53.40	20.45
Powergrid Ramgarh Transmission Limited	12.18	2.57
Powergrid Himachal Transmission Limited	6.86	8.19
Powergrid Bikaner Transmission System Limited	52.72	11.24
Powergrid Sikar Transmission Limited	43.62	16.40
Powergrid Bhadla Transmission Limited	28.33	8.90
Powergrid Aligarh Sikar Transmission Limited	51.22	13.86
Powergrid Narela Transmission Limited	7.95	-
Powergrid Gomti Yamuna Transmission Limited	8.24	-
Powergrid Neemuch Transmission System Limited	2.92	-
Powergrid ER NER Transmission Limited	0.31	-
Total	1,115.93	883.07
Joint Ventures		
National High Power Test Laboratory Private Limited	0.07	1.96
Teestavalley Power Transmission Limited	-	0.40
Total	0.07	2.36
Other Related Parties		
POWERGRID Infrastructure Investment Trust	107.70	68.52
Total	107.70	68.52
Interest Income	1,223.70	953.95
Dividend received		
Subsidiaries		
Powergrid Unchahar Transmission Limited	11.28	13.35
Powergrid Southern Interconnector Transmission System Limited	18.43	147.47
Powergrid Medinipur Jeerat Transmission Limited	218.26	156.53
Powergrid Mithilanchal Transmission Limited	50.60	17.72
Powergrid Varanasi Transmission System Limited	29.88	11.16
Powergrid Jawaharpur Firozabad Transmission Limited	-	6.17

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Powergrid Khetri Transmission System Limited	23.79	-
Powergrid Bhind Guna Transmission Limited	2.11	-
Powergrid Ajmer Phagi Transmission Limited	7.25	-
Powergrid Fatehgarh Transmission Limited	10.43	-
Central Transmission Utility of India Limited	65.00	-
Powergrid Himachal Transmission Limited	45.00	84.00
Total	482.03	436.40
Joint Ventures		
Powerlinks Transmission Limited	43.57	36.69
Torrent Power Grid Limited	4.45	5.15
Parbati Koldam Transmission Company Limited	7.09	9.93
North East Transmission Company Limited	18.18	13.90
Cross Border Power Transmission Company Limited	3.15	1.39
Power Transmission Company Nepal Limited	1.32	1.32
Total	77.76	68.38
Associates		
Powergrid Vizag Transmission Limited	-	35.34
Powergrid Kala Amb Transmission Limited	6.66	8.25
Powergrid Jabalpur Transmission Limited	11.21	18.05
Powergrid Warora Transmission Limited	21.27	26.89
Powergrid Parli Transmission Limited	19.68	28.22
Total	58.82	116.75
Other Related Parties		
POWERGRID Infrastructure Investment Trust	46.14	33.85
Total	46.14	33.85
Dividend received	664.75	655.38
Other income		
Subsidiaries:		
Powergrid Unchahar Transmission Limited	0.34	0.29
Powergrid Khetri Transmission System Limited	-	0.37
Powergrid Himachal Transmission Limited	0.47	-
Joint Ventures:		
Powerlinks Transmission Limited	0.16	-
Teestavalley Power Transmission Limited	-	-
Bihar Grid Company Limited	0.21	0.09
Energy Efficiency Services Limited	1.35	1.97
Other income	2.53	2.72
Other expenses		
Joint Ventures:		
Energy Efficiency Services Limited	0.93	1.24
Subsidiary of Joint Ventures:		

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Convergence Energy Services Limited	1.22	-
Total	2.15	1.24
Material received on replenishment basis		
Subsidiaries		
Powergrid Rampur Sambhal Transmission Limited	9.22	-
Powergrid Meerut Simbhavali Transmission Limited	9.22	-
Powergrid Ramgarh Transmission Limited	12.53	-
Total	30.97	-
Material sent/issued for replenishment		
Subsidiaries		
Powergrid Rampur Sambhal Transmission Limited	9.22	-
Powergrid Meerut Simbhavali Transmission Limited	9.22	-
Total	18.44	-
Investments made during the year		
Subsidiaries		
Powergrid NM Transmission Limited	2.00	3.90
Powergrid Medinipur Jeerat Transmission Limited	9.00	88.37
Powergrid Mithilanchal Transmission Limited	-	19.70
Powergrid Varanasi Transmission System Limited	1.56	17.95
Powergrid Jawaharpur Firozabad Transmission Limited	-	12.40
Powergrid Khetri Transmission System Limited	-	36.85
Powergrid Bhuj Transmission Limited	52.00	82.29
Powergrid Bhind Guna Transmission Limited	21.80	40.10
Powergrid Ajmer Phagi Transmission Limited	-	3.00
Powergrid Fatehgarh Transmission Limited	-	27.59
Powergrid Rampur Sambhal Transmission Limited	33.10	87.48
Powergrid Meerut Simbhavali Transmission Limited	65.42	97.70
Powergrid Ramgarh Transmission Limited	23.90	1.05
Powergrid Bikaner Transmission System Limited	77.79	22.20
Powergrid Sikar Transmission Limited	32.65	47.35
Powergrid Bhadla Transmission Limited	11.90	20.31
Powergrid Aligarh Sikar Transmission Limited	15.60	62.35
Powergrid Teleservices Limited	-	9.00
Powergrid Energy Services Limited	10.00	-
Powergrid Narela Transmission Limited	0.01	-
Powergrid Gomti Yamuna Transmission Limited	0.01	-
Powergrid Neemuch Transmission System Limited	0.05	-
Powergrid ER NER Transmission Limited	0.05	-
Powergrid ERWR Power Transmission Limited	0.05	-
Khavda RE Transmission Limited	0.05	-

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Khavda II-B Transmission Limited	0.05	-
Khavda II-C Transmission Limited	0.05	-
Powergrid KPS2 Transmission System Limited	0.05	-
Powergrid KPS3 Transmission Limited	0.05	-
Raipur Pool Dhamtari Transmission Limited	0.01	-
Dharamjaigarh Transmission Limited	0.01	-
Bhadla Sikar Transmission Limited	0.01	-
Total	357.17	679.59
Joint Ventures		
Bihar Grid Company Limited	11.59	32.24
Energy Efficiency Services Limited	-	407.49
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.03	-
Total	11.62	439.73
Investments made during the year	368.79	1,119.32
Loans given during the year		
Subsidiaries		
Powergrid NM Transmission Limited	-	17.00
Powergrid Southern Interconnector Transmission System Limited	60.60	3.10
Powergrid Medinipur Jeerat Transmission Limited	60.17	185.52
Powergrid Mithilanchal Transmission Limited	30.24	66.92
Powergrid Varanasi Transmission System Limited	29.98	86.67
Powergrid Jawaharpur Firozabad Transmission Limited	6.45	22.49
Powergrid Khetri Transmission System Limited	4.23	153.74
Powergrid Bhuj Transmission Limited	146.56	434.22
Powergrid Bhind Guna Transmission Limited	64.45	124.75
Powergrid Ajmer Phagi Transmission Limited	8.78	41.37
Powergrid Fatehgarh Transmission Limited	17.30	73.96
Powergrid Rampur Sambhal Transmission Limited	151.18	334.42
Powergrid Meerut Simbhavali Transmission Limited	185.93	453.00
Powergrid Ramgarh Transmission Limited	136.77	86.02
Powergrid Himachal Transmission Limited	-	159.14
Powergrid Bikaner Transmission System Limited	589.55	424.59
Powergrid Sikar Transmission Limited	285.61	478.97
Powergrid Bhadla Transmission Limited	177.91	279.72
Powergrid Aligarh Sikar Transmission Limited	214.22	571.25
Powergrid Narela Transmission Limited	425.23	-
Powergrid Gomti Yamuna Transmission Limited	429.95	-
Powergrid Neemuch Transmission System Limited	184.51	-
Powergrid ER NER Transmission Limited	14.93	-
Total	3,224.55	3,996.85

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Loans given to Key Managerial Personnel	0.31	0.09
Loans repayment received during the year		
Subsidiaries		
Powergrid NM Transmission Limited	37.71	3.30
Powergrid Unchahar Transmission Limited	1.25	1.47
Powergrid Southern Interconnector Transmission System Limited	219.96	97.05
Powergrid Medinipur Jeerat Transmission Limited	150.00	35.00
Powergrid Mithilanchal Transmission Limited	24.21	3.70
Powergrid Varanasi Transmission System Limited	27.04	5.23
Powergrid Jawaharpur Firozabad Transmission Limited	2.60	2.49
Powergrid Khetri Transmission System Limited	29.05	-
Powergrid Bhind Guna Transmission Limited	4.00	-
Powergrid Ajmer Phagi Transmission Limited	14.22	6.90
Powergrid Fatehgarh Transmission Limited	18.81	3.76
Powergrid Himachal Transmission Limited	48.00	44.00
Powergrid Sikar Transmission Limited	4.50	-
Total	581.35	202.90
Joint Ventures		
Teestavalley Power Transmission Limited	-	29.29
Total	-	29.29
Associates		
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
Total	-	4,993.49
Loans repayment received during the year	581.35	5,225.68
Loan repaid by Key Managerial Personnel	0.33	0.12
Reimbursement of Expenses (goods/services)		
Subsidiaries:		
Powergrid Vemagiri Transmission Limited	0.01	-
Powergrid Southern Interconnector Transmission System Limited	0.11	0.10
Powergrid Medinipur Jeerat Transmission Limited	0.02	0.05
Powergrid Mithilanchal Transmission Limited	-	0.05
Powergrid Jawaharpur Firozabad Transmission Limited	0.40	0.68
Powergrid Khetri Transmission System Limited	-	0.09
Powergrid Bhuj Transmission Limited	0.03	0.04

55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Powergrid Bhind Guna Transmission Limited	-	0.02
Powergrid Rampur Sambhal Transmission Limited	4.88	0.01
Powergrid Meerut Simbhavali Transmission Limited	0.01	0.01
Central Transmission Utility of India Limited	0.18	0.19
Powergrid Ramgarh Transmission Limited	0.01	-
Powergrid Bikaner Transmission System Limited	0.02	0.02
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	3.81	0.09
Powergrid Narela Transmission Limited	16.98	-
Powergrid Gomti Yamuna Transmission Limited	0.04	-
Powergrid Neemuch Transmission System Limited	0.03	-
Powergrid ER NER Transmission Limited	0.02	-
Powergrid ERWR Power Transmission Limited	0.05	-
Khavda II-B Transmission Limited	0.20	-
Khavda II-C Transmission Limited	0.11	-
Raipur Pool Dhamtari Transmission Limited	0.14	-
Total	27.05	2.02
Joint Ventures:		
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.01	-
Total	0.01	-
Associates:		
Powergrid Parli Transmission Limited	0.11	-
Total	0.11	-
Other Related Parties		
Contribution made during the year		
Powergrid Employees Provident Fund Trust	122.90	117.07
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	91.25	100.77
Powergrid Employees Gratuity Fund Trust	(14.85)	37.86
Powergrid Employees Post-Retirement Medical Benefit Trust	(8.25)	35.54
Total	191.05	291.24
Transaction with POWERGRID Infrastructure Investment Trust		
Units Received for transfer of Investments	-	1,365.00
Distribution of debt component	9.96	-
Amount Received on transfer of Investments including Offer For Sale	-	3,370.95
Total	9.96	4,735.95

55. Disclosure as per Ind AS 24 – "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Advances received		
Subsidiaries:		
Powergrid Southern Interconnector Transmission System Limited	1.50	-
Total Advances received	1.50	-
Advances Given		
Subsidiaries:		
Powergrid ERWR Power Transmission Limited	6.72	-
Khavda RE Transmission Limited	52.02	-
Khavda II-B Transmission Limited	74.43	-
Khavda II-C Transmission Limited	151.93	-
Powergrid KPS2 Transmission System Limited	36.02	-
Powergrid KPS3 Transmission Limited	11.50	-
Raipur Pool Dhamtari Transmission Limited	7.15	-
Dharamjaigarh Transmission Limited	6.62	-
Bhadla Sikar Transmission Limited	100.18	-
Total Advances Given	446.57	-
Recovery for Deputation of Employees		
Subsidiaries:		
Powergrid Unchahar Transmission Limited	5.92	4.98
Powergrid Himachal Transmission Limited	2.02	2.31
Powergrid Energy Services Limited	12.40	-
Joint Ventures:		
Torrent Power Grid Limited	0.04	-
Energy Efficiency Services Limited	3.03	0.89
Teestavalley Power Transmission Limited	0.65	0.79
North East Transmission Company Limited	0.99	0.25
Cross Border Power Transmission Company Limited	0.99	0.67
Total	26.04	9.89

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 6.35% 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 31.03.2023	For the year ended 31.03.2022
For the period CTU acting as CTU		
Transactions with Central Transmission Utility of India Limited in the capacity of CTU	43,056.94	34,369.61

55. Disclosure as per Ind AS 24 – "Related Party Disclosures" (Contd.)

(j) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Short Term Employee Benefits	5.67	5.12
Post-Employment Benefits	0.84	0.15
Long Term Employee Benefits	0.49	0.64
Total	7.00	5.91
Sitting fee	0.44	0.44

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. 65 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 ₹43,857.41crore (Previous Year ₹40,511.50crore) and outside India is ₹57.28crore (Previous Year ₹47.12crore).

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.

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Revenue:										
Revenue from Operations (including allocable other income)	42,647.15	39,187.62	528.70	771.22	738.84	599.78	-	-	43,914.69	40,558.62
Inter Segment Revenue					74.71	69.08	(74.71)	(69.08)	-	-
Net Revenue from Operations	42,647.15	39,187.62	528.70	771.22	813.55	668.86	(74.71)	(69.08)	43,914.69	40,558.62
Segment results	24,807.52	21,797.33	95.27	347.48	313.49	223.53			25,216.28	22,368.34
Exceptional Item									-	3,759.51
Unallocated Interest and Other Income									2,053.38	1,777.26
Unallocated Finance Costs									9,744.25	8,210.94
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									17,525.41	19,694.17
Provision for Taxes									2,192.39	2,600.41
Profit after Tax									15,333.02	17,093.76
Other information:										
Segment Assets	2,07,554.51	2,12,132.74	1,578.62	1,895.00	1,083.58	925.48			2,10,216.71	2,14,953.22
Unallocated Assets									35,815.99	32,663.56
Asset Classified as Held for Sale									260.86	260.86
Total Assets	12,892.08	12,144.91	2,670.81	2,741.83	637.16	648.01			2,46,293.56	2,47,877.64
Segment Liabilities									16,200.05	15,534.75
Unallocated Other Liabilities (including loans)									1,47,260.55	1,56,191.32
Total Liabilities	12,832.87	12,441.30	6.09	5.75	100.92	103.53			1,63,460.60	1,71,726.07
Depreciation and Amortisation	90.98	26.50	2.21	4.02	0.06	2.10			93.25	32.62
Non-cash expenditure other than Depreciation										
Capital Expenditure	5,736.65	15,466.66	2.78	3.73	130.67	199.00			5,870.10	15,669.39

57. Capital and other Commitments

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10,125.75	4,300.63
Company's commitment towards further investment/loan in joint venture entities	712.80	116.69
Company's commitment towards further investment/loan in subsidiary companies	14,780.64	4,951.48
Company's commitment towards further investment in other entities	-	452.05

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 ₹2,945.71crore (Previous Year ₹2,780.93crore) 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 ₹2,541.50crore (Previous Year ₹1,688.69crore) 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 ₹6.71crore (Previous Year ₹5.81crore) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹435.83crore (Previous Year ₹476.15crore) 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 claims of ₹210.34crore (Previous Year ₹201.22crore), provision of ₹174.64crore (Previous Year ₹165.52crore) is made and balance of ₹35.70crore (Previous Year ₹35.70crore) 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 ₹1,528.11crore (Previous Year ₹3,720.37crore). 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 ₹820.75crore (Previous Year ₹663.71crore) which includes claim of ₹563.25crore (Previous Year ₹394.14crore) 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.

58. Contingent Liabilities and contingent assets (Contd.)

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:

(₹ in crore)

Name of SPV	As at 31.03.2023	As at 31.03.2022
Powergrid Jabalpur Transmission Limited	-	2.23
Powergrid Southern Interconnector Transmission System Limited	-	110.04
Powergrid Medinipur Jeerat Transmission Limited	27.11	55.93
Powergrid Mithilanchal Transmission Limited	12.69	23.61
Powergrid Jawaharpur Firozabad Transmission Limited	-	16.44
Powergrid Bhuj Transmission Limited	-	23.55
Powergrid Bhind Guna Transmission Limited	25.63	25.63
Powergrid Rampur Sambhal Transmission Limited	28.14	28.14
Powergrid Meerut Simbhavali Transmission Limited	33.75	33.75
Powergrid Ramgarh Transmission Limited	14.04	14.04
Powergrid Bikaner Transmission System Limited	34.65	34.65
Powergrid Sikar Transmission Limited	37.13	37.13
Powergrid Bhadla Transmission Limited	10.50	10.50
Powergrid Aligarh Sikar Transmission Limited	17.33	17.33
Powergrid Narela Transmission Limited	31.01	-
Powergrid Gomti Yamuna Transmission Limited	15.33	-
Powergrid Neemuch Transmission System Limited	18.60	-
Powergrid ER NER Transmission Limited	6.84	-
Powergrid ERWR Power Transmission Limited	4.80	-
Khavda RE Transmission Limited	24.00	-
Khavda II-B Transmission Limited	30.00	-
Khavda II-C Transmission Limited	39.90	-
Powergrid KPS2 Transmission System Limited	18.00	-
Powergrid KPS3 Transmission Limited	15.90	-
Raipur Pool Dhamtari Transmission Limited	4.80	-
Dharamjaigarh Transmission Limited	9.00	-
Bhadla Sikar Transmission Limited	16.28	-

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

59. Capital management (Contd.)

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 31.03.2023	As at 31.03.2022
Total borrowings (₹ in crore)	1,26,594.90	1,34,665.27
Equity (₹ in crore)	82,832.96	76,151.57
Debt - Equity ratio	1.53	1.77

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 31.03.2023 and 31.03.2022.

b) Dividends

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Equity shares		
Final dividend for the year ended 31.03.2022 of ₹2.25 (31.03.2021 - ₹3.00) per fully paid up share	1,569.48	2,092.64
Interim dividend for the year ended 31.03.2023 of ₹10.00 (31.03.2022 - ₹12.50) per fully paid up share	6,975.45	8,719.32

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 19.05.2023 recommended the payment of a final dividend of ₹4.75 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 31.03.2023	For the year ended 31.03.2022
Including movement in Regulatory Deferral Account Balances	21.98	24.51
Excluding movement in Regulatory Deferral Account Balances	21.61	25.25
Total basic and diluted earnings per share attributable to the equity holders of the company	21.98	24.51

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2023	For the year ended 31.03.2022
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	15,333.02	17,093.76

60. Earnings per share (Contd.)

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2023	For the year ended 31.03.2022
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	15,076.59	17,616.42
Total Earnings attributable to the equity holders of the company	15,333.02	17,093.76

(c) Weighted average number of shares used as the denominator	For the year ended 31.03.2023	For the year ended 31.03.2022
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	-	-
Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share	6975452864	6975452864

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,

- Credit risk,
- Liquidity risk,
- Market risk.

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 an independent director 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.

61. Financial Risk Management (Contd.)

(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") entrusts Central Transmission Utility (CTUIL) with the function of Billing, Collection and disbursement functions on behalf of transmission licensees including POWERGRID.

CERC Sharing regulation 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 transmission licensee, CTUIL provides a graded rebate 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 (CTUIL) 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.

CTUIL 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 and on fulfilment of condition under TPA, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU including POWERGRID.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit to be submitted to CTUIL 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 CTUIL has power to regulate the power supply or deny Short Term Open Access on the defaulting entity as per Electricity (LPS & Related matter) Rules, 2022 notified by Ministry of Power.

Trade receivables consist of receivables relating to transmission services of ₹12,938.21crore (Previous Year ₹8,790.37crore), receivables relating to consultancy services of ₹182.11crore (Previous Year ₹167.37crore) and receivables relating to telecom business of ₹250.77crore (Previous Year ₹179.80crore).

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 ₹1,583.77crore (Previous Year ₹746.01crore). 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 ₹3,190.23crore (Previous Year ₹2,291.05crore). Term deposits are placed with public sector banks and have negligible credit risk.

• 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 31.03.2023	As at 31.03.2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-Current Loans	16,912.31	14,269.78
Other non-current financial assets	4,149.91	4,097.86

61. Financial Risk Management (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and cash equivalents	1,583.77	746.01
Deposits with banks and financial institutions	3,190.23	2,291.05
Current loans	461.82	328.27
Other current financial assets	1,766.87	806.96
Total	28,064.91	22,539.93
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	13,371.09	9,137.54
Contract Assets	812.39	5,588.82

(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 except as specified in this note.

(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
Gross carrying amount as on 31.03.2023	8,160.21	3,458.88	402.59	188.11	44.88	58.32	1,058.10	13,371.09
Gross carrying amount as on 31.03.2022	4,487.41	1,614.17	513.28	292.20	200.08	171.24	1,859.16	9,137.54

(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	Loans	Other Financial Assets	Total
Balance as at 01.04.2021	300.40	4.05	-	19.41	323.86
Impairment loss recognised/ (reversed)	0.33	-	-	0.01	0.34
Balance as at 31.03.2022	300.73	4.05	-	19.42	324.20

61. Financial Risk Management (Contd.)

(₹ in crore)

Particulars	Trade receivables	Investments	Loans	Other Financial Assets	Total
Impairment loss recognised/ (reversed)	(6.73)	30.40	21.74	7.95	53.36
Balance as at 31.03.2023	294.00	34.45	21.74	27.37	377.56

During the year, allowance for impairment amounting to ₹52.14 crore has been provided towards impairment of investment in and Loan to National High Power Test Laboratory Private Ltd. 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 31.03.2023	As at 31.03.2022
Expiring within 1 year (bank overdraft and other facilities)	9,131.01	6,332.01
Expiring beyond one year (bank loans)	-	4,080.44

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 upto 1 year (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
As at 31.03.2023				
Borrowings (including interest outflows)	21,406.98	88,030.93	60,352.50	1,69,790.41
Trade payables	325.02			325.02
<u>Other financial liabilities</u>				
Lease liabilities	8.17	28.09	125.34	161.60
Others	4,691.97	1,228.45	3,788.04	9,708.46
Total	26,432.14	89,287.47	64,265.88	1,79,985.49
As at 31.03.2022				
Borrowings (including interest outflows)	27,753.48	76,736.57	66,168.89	1,70,658.94

61. Financial Risk Management (Contd.)

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
Trade payables	266.14			266.14
Other financial liabilities				
Lease liabilities	2.75	9.88	29.21	41.84
Others	4,878.28	1,173.60	4,074.89	10,126.77
Total	32,900.65	77,920.05	70,272.99	1,81,093.69

(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:

- Currency risk
- Interest rate risk
- 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Borrowings	USD	361.60	443.34	29,918.78	33,840.14
	EUR	53.68	60.86	4,877.90	5,219.35
	SEK	125.20	150.35	1,004.10	1,246.40
	JPY	2,272.71	2,290.89	1,423.40	1,438.68
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	5.16	1.30	426.94	99.23
	EUR	0.35	0.16	31.80	13.72
	SEK	1.43	0.39	11.47	3.23
	JPY	5.32	0.23	3.33	0.14
Trade Payables/deposits and retention money	USD	4.19	4.36	346.68	332.80
	EUR	1.04	3.07	94.50	263.28
	SEK	4.53	11.49	36.33	95.25
	CHF	-	0.04	-	3.33
	GBP	1.14	1.54	117.65	154.99
	JPY	11.57	76.79	7.25	48.22

61. Financial Risk Management (Contd.)

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in crore)	
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Trade receivables and Bank balances	USD	0.05	0.07	4.08	5.27
	NPR	18.92	5.87	11.83	3.67
	EUR	0.01	-	0.88	-
Amount of contracts remaining to be executed	USD	0.96	0.43	79.43	32.82
	EUR	0.64	0.76	58.16	65.18
	SEK	-	0.57	-	4.73
	GBP	0.62	0.78	63.98	78.50

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 31.03.2023	As at 31.03.2022
Long Term Debt with floating rate of interest		
-Domestic	27,940.45	24,216.04
-Foreign	33,708.81	34,186.14
Sub Total	61,649.26	58,402.18
Long Term Debt with fixed rate of interest		
-Domestic	60,722.49	63,400.26
-Foreign	3,523.15	7,562.83
Sub Total	64,245.64	70,963.09
Total Long Term Debt	1,25,894.90	1,29,365.27
% of Floating Interest Rate Debt to Total Long Term Debt	48.97%	45.15%

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 31.03.2023	For the year ended 31.03.2022
Current Tax		
Current tax on profits for the year	2,987.43	3,320.52
Adjustments for current tax of prior periods	(73.76)	(38.46)
Pertaining to regulatory deferral account balances (A)	54.29	(110.65)
Total current tax expense (B)	2,967.96	3,171.41
Deferred Tax expense		
Origination and reversal of temporary differences & previously unrecognised tax credit recognised as Deferred Tax Asset this year	(775.57)	(571.00)
Total deferred tax expense /benefit (C)	(775.57)	(571.00)
Income tax expense (B+C-A)	2,138.10	2,711.06
Pertaining to regulatory deferral account balances	54.29	(110.65)
Total tax expense including tax on movement in regulatory deferral account balances	2,192.39	2,600.41

(b) Income Tax recognized in Regulatory Deferral Account Balances:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Deferred assets for Deferred tax liability	(773.91)	(727.94)
Foreign Currency Fluctuation	1,216.29	93.03
Employee Benefits and Other Expenses	(131.66)	1.60
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	310.72	(633.31)
Current Tax on Regulatory Deferral Account Balances	54.29	(110.65)
Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)	256.43	(522.66)

(c) Income Tax recognized in other comprehensive income:

(₹ in crore)

Particulars	For the year ended 31.03.2023			For the year ended 31.03.2022		
	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	(142.01)	(18.09)	(123.92)	478.85	53.90	424.95
Net actuarial losses on defined benefit plans	39.56	6.91	32.65	(196.74)	(34.38)	(162.36)
Less: Transferred to expenditure during construction (net)	18.69	3.26	15.43	(34.34)	(6.00)	(28.34)
Other Comprehensive Income (Net of Tax)	(121.14)	(14.44)	(106.70)	316.45	25.52	290.93

62. Income Tax expense (Contd.)

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

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit before income tax expense including movement in Regulatory Deferral Account Balances	17,525.41	19,694.17
Tax at the Company's domestic tax rate of 34.944 %	6,124.08	6,881.93
Tax effect of:		
Non Deductible tax items	(297.10)	(3,248.71)
Tax exempt income	(4,766.80)	(3,633.21)
Previous Years tax liability	(73.76)	(38.46)
Deferred Tax expense/(income)	(775.57)	(571.00)
Minimum alternate tax adjustments	1,981.54	3,209.86
Income tax expense	2,192.39	2,600.41

63. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2023			31 March 2022		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	82.53	521.27	603.80	69.59	462.39	531.98
Post-Retirement Medical Facility (PRMF)	45.02	660.41	705.43	28.08	630.60	658.68
Other Employee benefits /Long Service Award	1.66	21.55	23.21	1.60	20.43	22.03
Gratuity	72.31	450.92	523.23	81.08	482.71	563.79
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.25	19.12	21.37	2.59	20.50	23.09
Total employee benefit obligations	203.77	1673.27	1877.04	182.94	1616.63	1799.57

(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 ₹ 2.52 crore (up to Previous Year ₹ 5.96 crore) for the year has been made during the year based on actuarial valuation.

63. Employee Benefit Obligations (Contd.)

(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 fund and EPS scheme for the year amounting to ₹ 134.88 crore (previous year ₹ 130.74 crore) has been recognized as expense. 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 last year report of actuary the provision of ₹171.06 crore was included in OCI in previous year. During the current financial year amount ₹ 161.59 crore has been paid to Provident Fund Trust to meet out guaranteed statutory interest rate by Provident Fund Trust, and the balance provision amount ₹ 9.47 crore has been written back during year. Further, as per the current report of actuary, overall interest earning and cumulative surplus is more than statutory interest payment requirement. Therefore, no further provision is considered necessary. 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 2023			31 March 2022		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	669.65	2757.41	3427.06	694.61	2640.38	3334.99

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
01 April 2022	3334.99	3163.93	171.06
Service cost	123.12	-	123.12
Interest expense (income)	262.45	265.01	(2.56)
Total	385.57	265.01	120.56

63. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
Re-measurements			
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	-	176.48	(176.48)
Experience (Gain)/ Losses	(6.06)	-	(6.06)
Total	(6.06)	176.48	(182.54)
Employee contributions	191.71	191.71	-
Employer contributions	-	123.12	(123.12)
Benefits payments	(479.15)	(479.15)	-
31 March 2023	3427.06	3441.10	(14.04)

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
01 April 2021	3260.32	3301.89	(41.57)
Service cost	118.36	-	118.36
Interest expense (income)	251.83	87.97	163.86
Total	370.19	87.97	282.22
Re-measurements			
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
Total	48.77	-	48.77
Employee contributions	196.46	196.46	-
Employer contributions	-	118.36	(118.36)
Benefits payments	(540.75)	(540.75)	-
31 March 2022	3334.99	3163.93	171.06

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2023	31 March 2022
Present value of funded obligations	3427.06	3334.99
Fair value of plan assets	3441.10	3163.93
Deficit/(Surplus) of funded plan	(14.04)	171.06

63. Employee Benefit Obligations (Contd.)

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
Impact of change in discount rate	-
Present value of Obligation at the end of period	3427.06
- Impact due to increase of 0.5%	(0.43)
- Impact due to decrease of 0.5%	0.46

The major categories of plan assets (PF) are as follows.

(₹ in crore)

Particulars	31 March 2023				31 March 2022			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	130.83	-	130.83	3.80%	102.83	-	102.83	3.25%
Debt instruments								
Govt/State Bonds	1898.27	-	1898.27	55.16%	1831.84	-	1831.84	57.90%
PSU and Private Bonds	1284.61	-	1284.61	37.33%	1120.02	-	1120.02	35.40%
Bank Balance	26.66	-	26.66	0.78%	73.80	-	73.80	2.33%
Other Receivables	100.73	-	100.73	2.93%	35.44	-	35.44	1.12%
Total	3441.10	-	3441.10		3163.93	-	3163.93	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 33.45 crore as on 31 March 2023 (₹ 54.03 crore as on 31 March 2022).

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
31 March 2023	669.65	307.98	530.94	1918.49	3427.06
31 March 2022	694.61	297.11	616.26	1727.01	3334.99

F. Pension

The Company has scheme of employees defined Pension Contribution & National Pension Scheme. Company contribution is paid to separate trust for Employees defined Pension Contribution. Amount of contribution paid/ payable for the year is ₹ 183.09 crore (previous year ₹ 115.31 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

63. Employee Benefit Obligations (Contd.)

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
01-Apr-22	563.79	553.29	10.50	23.09	-	23.09	531.98	-	531.98	658.68	658.78	(0.10)
Service cost	23.21	-	23.21	1.33	-	1.33	87.52	-	87.52	20.70	-	20.70
Interest expense (income)	39.46	39.53	(0.07)	1.61	-	1.61	37.24	-	37.24	46.11	46.07	0.04
Employee Contribution	-	-	-	-	-	-	-	-	-	-	1.05	(1.05)
Actuarial Gain/Loss	-	-	-	-	-	-	53.05	-	53.05	-	-	-
Total amount recognized in profit or loss	62.67	39.53	23.14	2.94	-	2.94	177.81	-	177.81	66.81	47.12	19.69
Re-measurements												
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	(18.78)	-	(18.78)	(0.86)	-	(0.86)	-	-	-	(32.35)	-	(32.35)
Experience (Gain)/Losses	(5.62)	13.63	(19.25)	(3.63)	-	(3.63)	-	-	-	53.84	7.88	45.96
Total amount recognized in other comprehensive income	(24.40)	13.63	(38.03)	(4.49)	-	(4.49)	-	-	-	21.49	7.88	13.61
Employee Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	11.50	(11.50)	-	-	-	-	-	-	-	(0.66)	0.66
Benefits payments	(78.83)	(78.83)	-	(0.17)	-	(0.17)	(105.99)	-	(105.99)	(41.55)	(20.28)	(21.27)
31-Mar-23	523.23	539.12	(15.89)	21.37	-	21.37	603.80	-	603.80	705.43	692.84	12.59

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
01-Apr-21	591.60	592.66	(1.06)	23.47	-	23.47	467.99	-	467.99	602.20	601.13	1.07
Service cost	24.02	-	24.02	1.40	-	1.40	65.63	-	65.63	19.47	-	19.47
Interest expense (income)	39.93	40.00	(0.07)	1.58	-	1.58	31.59	-	31.59	40.65	40.58	0.07
Employee Contribution	-	-	-	-	-	-	-	-	-	-	1.55	(1.55)
Actuarial Gain/Loss	-	-	-	-	-	-	56.34	-	56.34	-	-	-
Total amount recognized in profit or loss	63.95	40.00	23.95	2.98	-	2.98	153.56	-	153.56	60.12	42.13	17.99
Re-measurements	-	-	-	-	-	-	-	-	-	-	-	-
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	(12.06)	-	(12.06)	(0.55)	-	(0.55)	-	-	-	(22.09)	-	(22.09)
Experience (Gain)/Losses	(6.73)	(32.71)	25.98	(2.80)	-	(2.80)	-	-	-	52.49	13.79	38.70
Total amount recognized in other comprehensive income	(18.79)	(32.71)	13.92	(3.35)	-	(3.35)	-	-	-	30.40	13.79	16.61
Employee Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	26.31	(26.31)	-	-	-	-	-	-	-	35.77	(35.77)
Benefits payments	(72.97)	(72.97)	-	(0.01)	-	(0.01)	(89.57)	-	(89.57)	(34.04)	(34.04)	-
31-Mar-22	563.79	553.29	10.50	23.09	-	23.09	531.98	-	531.98	658.68	658.78	(0.10)

63. Employee Benefit Obligations (Contd.)

The net disclosed above relates to funded and unfunded plans are as follows: -

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Present value of funded obligations	523.23	563.79	-	-	-	-	705.43	658.68
Fair value of plan assets	539.12	553.29	-	-	-	-	692.84	658.78
Deficit/(Surplus) of funded plan	(15.89)	10.50	-	-	-	-	12.59	(0.10)
Unfunded plans	-	-	21.37	23.09	603.80	531.98	-	-

The company expects to contribute ₹ 31.68 crore to the gratuity trust during the FY 2023-24.

(iii) Significant actuarial assumptions for Post-Employment Benefits:

Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2023	31 March 2022
Discount rate	7.40%	7.00%
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 2023	31 March 2022
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 rate %
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

63. Employee Benefit Obligations (Contd.)

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
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	Leaves	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	523.23	21.37	603.80	705.43
- Impact due to increase of 0.5%	(21.75)	(0.98)	(27.78)	(40.43)
- Impact due to decrease of 0.5%	23.73	1.06	30.10	41.86
b) Impact of change in salary increase				
Present value of Obligation at the end of period	523.23	21.37	603.80	705.43
- Impact due to increase of 0.5%	6.87	1.05	30.28	42.37
- Impact due to decrease of 0.5%	(7.55)	(0.98)	(27.96)	(39.92)

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. The methods and types of assumptions used in preparing sensitivity analysis did not change compared to previous year.

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 March 2023				31 March 2022			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	8.34	-	8.34	1.55%	4.98	-	4.98	0.90%
Debt instruments								
Govt/State Bonds	340.35	-	340.35	63.13%	326.56	-	326.56	59.02%
PSU and Private Bonds	177.97	-	177.97	33.01%	197.95	-	197.95	35.78%
Bank Balance/Other Receivable	12.46	-	12.46	2.31%	23.80	-	23.80	4.30%
Total*	539.12	-	539.12		553.29	-	553.29	

*Fair valuation as per actuarial valuation is ₹ 539.12 crore (Previous Year ₹ 553.29 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹ 30.45 Crore (Previous Year ₹ 43.38 crore).

63. Employee Benefit Obligations (Contd.)

(vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 March 2023				31 March 2022			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	3.60	-	3.60	0.52%	-	-	-	-
Debt instruments								
Govt/State Bonds	367.12	-	367.12	52.99%	344.06	-	344.06	52.23%
PSU and Private Bonds	307.16	-	307.16	44.33%	298.85	-	298.85	45.36%
Bank Balance/Other Receivable	14.96	-	14.96	2.16%	15.87	-	15.87	2.41%
Total#	692.84	-	692.84		658.78	-	658.78	

#Fair valuation as per actuarial valuation is ₹ 692.84 crore (Previous Year ₹ 658.78 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 39.48 years (Previous Year 39.61 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
31 March 2023					
Defined benefit obligation (Gratuity)	72.31	58.49	99.99	292.44	523.23
Post-employment medical benefits	45.02	48.73	161.23	450.45	705.43
ODRB	2.25	2.16	4.05	12.91	21.37
Other employee benefits (LSA)	1.66	1.44	2.96	17.15	23.21
Total	121.24	110.82	268.23	772.95	1273.24
31 March 2022					
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
Total	113.35	102.60	272.55	779.09	1267.59

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 31.03.2023	Gross carrying value as at 31.03.2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold land	231.53	192.49				
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 (DLRO). 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	0.32	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.
Alipurduar-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	NA	0.31	Govt. of Assam	No	1994	During the current year, title deeds has been transferred in the name of POWERGRID.
Faridabad, NR-1, RHQ (Township)	6.42	6.42	Haryana Shahari Vikas Pradhikaran(HSVP)	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.

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2023	Gross carrying value as at 31.03.2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Meerut SS	NA	0.18	UP Govt.	No	01-04-2003	During the current year, title deeds has been transferred in the name of POWERGRID.
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.
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.
Kurnool Land	16.52	NA	Govt. of Andhra Pradesh	No	28-03-2023	Land has been acquired on 28.03.2023 and the Company is in the process of getting the title deed registered.
Hiriyur 400/220 KV Substation	0.34	0.34	Karnataka Industrial Area 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.
Yelchanka 400/220 KV Substation	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 400/220 KV SS	0.34	0.34	Karnataka Power Transmission Corporation Limited (KPTCL)	No	FY 1992-93 onwards	
Kolar Siddalagatta HVDC SS	0.91	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.
Tumkur 765/400/220 KV SS	42.29	42.29	Karnataka Industrial Area Development Board (KIADB)	No	25-09-2013	
Kudugi 765/400 KV GIS	8.83	8.83	Karnataka Industrial Area Development Board (KIADB) and Others	No	28-02-2014	
Bidadi 400/220 KV Substation	20.00	20.00	Karnataka Industrial Area Development Board (KIADB)	No	23-03-2011	

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2023	Gross carrying value as at 31.03.2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Pavagada 400/220 KV SS	0.26	0.64	Private Parties are, 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. In current year, title deed has been done in the name of POWERGRID for amount Rs 0.38 crore.
Pugalur HVDC SS	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.
Kovilpatti 400/220 KV GIS	47.31	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 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.
New Navsari SS	21.44	-	Govt. of Gujarat	No	20-06-2022	Land has been acquired on 20.06.2022 on the basis of adhoc payment & final demand is still awaited. The procedure of title deeds will be undertaken after the discharge of the final demand.
ROU Asset- Land	282.09	275.02				
Pandiabili	9.23	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. Documents has been submitted with Sub-registrar, Jatni and the same is under Process for registration of lease deed.
Rourkela	0.26	0.26	SAIL-Rourkela	NO	25-07-2020	The Original Tripartite sub Lease agreement between Govt. of Odisha, Rourkela Steel Plant & POWERGRID has expired. The same is under process of renewal.

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2023	Gross carrying value as at 31.03.2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
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	4.49	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	1.46	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	Lease agreement had expired & the company is in the process of negotiating the lease terms.
Vishakapatnam	0.00	0.00	Rashtriya Ispat Nigam Limited	No	23-03-2022	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.
400/220 KV GIS Pooling Station Chamba, Village Mohal Rajera Tehsil & Distt. Chamba (HP)	12.36	12.36	HP Govt	No	19-10-2011	

Description of item of property	Gross carrying value as at 31.03.2023	Gross carrying value as at 31.03.2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
SLTS_Kargil Substation (UT of Ladakh)	0.00	0.00	PDD Kargil	No	31.10.2019	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. Land in UT of Ladakh (erstwhile State of Jammu & Kashmir) is acquired by State Government under state land acquisition act. As per law the UT/state government remains the owner of the land acquired, and the company is only given possession for specific use.
SLTS_Drass Substation (UT of Ladakh)	0.00	0.00	PDD Kargil	No	31.10.2019	
SLTS_Leh Substation (UT of Ladakh)	0.00	0.00	PDD Leh	No	31.10.2019	
SLTS_Khalsti Substation (UT of Ladakh)	0.00	0.00	PDD Leh	No	31.10.2019	
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 UT/State Government under state land acquisition act. As per law the UT/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	
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	
Narwal_Line Office Narwal	0.00	0.00	Govt of J&K	No	FY 1993-94 onwards	Transfer of title deed is pending on account of procedural delays
Samba_Samba S/S Land	11.60	11.60	Govt of J&K	No	19-04-2012	
TL Land in UT of Jammu and Kashmir	93.95	93.09	Govt of J&K	No	FY 1993-94 onwards	
Building	2.96	2.96				
Buildings (Flats in Mumbai)	2.96	2.96	MHADA	No	Since 02-01-2017	

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
As at 31.03.2023					
Projects in progress	4,701.42	1,092.43	444.69	1,429.59	7,668.13
Projects temporarily suspended	-	-	-	-	-
Total	4,701.42	1,092.43	444.69	1,429.59	7,668.13
As at 31.03.2022					
Projects in progress	3,265.50	1,429.12	1,073.09	1,579.01	7,346.72
Projects temporarily suspended	-	-	-	-	-
Total	3,265.50	1,429.12	1,073.09	1,579.01	7,346.72

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:

For the projects as on 31 March 2023:

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in Progress	Transmission System for Solar Power Parks at Bhadla, Rajasthan	21.11	-	-	-	21.11
Projects in Progress	Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1GW) under Phase-II - Part-FI	96.63	-	-	-	96.63
Projects in Progress	Line bays associated with Northern Region System Strengthening Scheme-XXXVI	25.06	-	-	-	25.06
Projects in Progress	Northern Region System Strengthening-XL (NRSS-XL)	49.70	-	-	-	49.70
Projects in Progress	Scheme to control fault level in Northern Region (Phase-II)	10.94	-	-	-	10.94
Projects in Progress	Transmission System for providing connectivity to RE projects at Bikaner (PG), Fatehgarh-II & Bhadla-II	85.79	-	-	-	85.79
Projects in Progress	2 Nos. of 220 kV line bays at Saharanpur (PG)	2.73	-	-	-	2.73
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	50.60	-	-	-	50.60
Projects in Progress	Transmission system strengthening Scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II - Part B1	787.76	-	-	-	787.76
Projects in Progress	Provision of Spare ICTs in Northern Region	0.20	-	-	-	0.20
Projects in Progress	Implementation of 1X80 MVAR 765 kV Spare Reactor at Bhadla-II Sub-Station	1.54	-	-	-	1.54
Projects in Progress	Provision of 400 kV line bays at Bhiwani (PG)	18.98	-	-	-	18.98
Projects in Progress	Establishment of Fibre Optic Communication System in Northern Region under Fibre Optic Expansion Project (additional Requirement)	14.36	-	-	-	14.36

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	To be completed in				
		<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	129.75	-	-	-	129.75
Projects in Progress	Northern Region System Strengthening-XLI (NRSS-XLI)	20.07	-	-	-	20.07
Projects in Progress	Northern Region System Strengthening-XLII (NRSS-XLII)	10.06	-	-	-	10.06
Projects in Progress	One No.of 220 kV bay at Chamera Pooling Point for 2nd circuit stringing of 220 kV Karian-Chamera Pool Line	10.26	-	-	-	10.26
Projects in Progress	Reliable communication Scheme under Central Sector for Northern Region	44.29	-	-	-	44.29
Projects in Progress	System Strengthening Scheme in Northern Region-XXXVII (NRSS-XXXVII)	-	28.24	-	-	28.24
Projects in Progress	ICTs & Bays associated with Northern Region System Strengthening Scheme - XXXVIII (NRSS-XXXVIII)	274.21	-	-	-	274.21
Projects in Progress	Construction of 2 Nos. of 400 kV Hybrid/GIS line bays at Varanasi (PG) Sub-Station	34.93	-	-	-	34.93
Projects in Progress	Implementation of 220kV Bay at Shajanhanpur (PG) 400/220kV Sub-Station	2.12	-	-	-	2.12
Projects in Progress	1x500 MVA, 400/220 kV ICT augmentation (3rd) at Sohawal (PG) under system strengthening	22.74	-	-	-	22.74
Projects in Progress	North East - Northern / Western Interconnector - I Project	1,498.19	-	-	-	1,498.19
Projects in Progress	POWERGRID works associated with North-Eastern Regional System Strengthening Scheme-V	68.33	-	-	-	68.33
Projects in Progress	North-Eastern Region Strengthening Scheme-X (NERSS-X)	46.69	-	-	-	46.69
Projects in Progress	North Eastern Region Strengthening Scheme-XII (NERSS-XII)	407.91	-	-	-	407.91
Projects in Progress	Transmission System for North Eastern Region Strengthening Scheme-XIV (NERSS-XIV)	50.39	-	-	-	50.39
Projects in Progress	POWERGRID works associated with North Eastern Region Strengthening Scheme-II, Part-B (NERSS-II-B)	87.48	-	-	-	87.48
Projects in Progress	North Eastern Region Strengthening Scheme - III (NERSS-III)	54.26	-	-	-	54.26
Projects in Progress	POWERGRID works associated with North Eastern Region Strengthening Scheme-VI	24.19	-	-	-	24.19
Projects in Progress	Provision of spare transformer & reactor in North Eastern Region	27.55	-	-	-	27.55
Projects in Progress	North-Eastern Region Strengthening Scheme-XI (NERSS-XI)	40.17	-	-	-	40.17
Projects in Progress	North Eastern Region Strengthening Scheme-XIII (NERSS-XIII)	51.16	-	-	-	51.16
Projects in Progress	Establishment of Fibre Optic Communication System under Wide Band Communication Expansion Plan in North-Eastern Region	36.73	-	-	-	36.73

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in Progress	Establishment of Fibre Optic Communication Scheme (Additional) under central sector for North Eastern Region	23.01	-	-	-	23.01
Projects in Progress	Replacement of Old RTUs in North Eastern Region	2.18	-	-	-	2.18
Projects in Progress	VSAT based communication system	0.21	-	-	-	0.21
Projects in Progress	POWERGRID Works associated with immediate evacuation for North Karanpura (3X660 MW) generation project of NTPC	45.99	-	-	-	45.99
Projects in Progress	Eastern Region Expansion Scheme-XXVI (ERES-XXVI)	1.68	-	-	-	1.68
Projects in Progress	Establishment of Communication System under Expansion/Up-gradation of SCADA/EMS system at SLDCs of Eastern Region (BSPTCL & DVC)	17.17	-	-	-	17.17
Projects in Progress	Communication System under Eastern Region Fibre Optic Expansion Project (Additional Requirement)	38.29	-	-	-	38.29
Projects in Progress	Eastern Region Strengthening Scheme-XVII (Part-B) [ERSS-XVII (Part-B)]	50.06	-	-	-	50.06
Projects in Progress	POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan	30.02	-	-	-	30.02
Projects in Progress	Eastern Region Strengthening Scheme-XXII	26.69	-	-	-	26.69
Projects in Progress	Establishment of Reliable Communication Scheme under central sector for Eastern Region	9.87	-	-	-	9.87
Projects in Progress	Fibre Optic Communication System in Eastern Region under expansion of Wideband Communication Network in Eastern Region	6.44	-	-	-	6.44
Projects in Progress	Phase-I Unified Real Time Dynamic State Measurement (URTDMS)	3.31	-	-	-	3.31
Projects in Progress	Western Region System Strengthening Scheme - V	467.64	-	-	-	467.64
Projects in Progress	Transmission System Associated with Mundra Ultra Mega Power Project	116.12	-	-	-	116.12
Projects in Progress	Additional system for power evacuation from generation projects pooled at Raigarh (Tamnar) Pool	83.26	-	-	-	83.26
Projects in Progress	Transmission System strengthening beyond Kolhapur for export of power from Solar & Wind Energy Zones in Southern Region - Reconductoring of Kolhapur (PG) - Kolhapur 400 kV D/C line	34.21	-	-	-	34.21
Projects in Progress	POWERGRID Works associated with Additional 400kV feed to Goa	23.39	-	-	-	23.39
Projects in Progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan	0.75	-	-	-	0.75

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in Progress	POWERGRID works associated with transmission system strengthening in WR associated with Khargone TPS	103.53	-	-	-	103.53
Projects in Progress	Extension works at POWERGRID substations for Interconnection of RE projects	5.53	-	-	-	5.53
Projects in Progress	Connectivity and LTA for 325MW Wind Project of M/s SBESS Projects Pvt Ltd	5.51	-	-	-	5.51
Projects in Progress	Scheme to control fault level at Indore Sub-Station	0.02	-	-	-	0.02
Projects in Progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan (Additional Requirement)	11.28	-	-	-	11.28
Projects in Progress	Reliable Communication Scheme under Central Sector for Western Region	11.78	-	-	-	11.78
Projects in Progress	System Strengthening-XXV in Southern Region	38.87	-	-	-	38.87
Projects in Progress	Augmentation of Transformation Capacity in Southern Region	44.11	-	-	-	44.11
Projects in Progress	Reliable Communication Scheme under Central Sector for Southern Region	39.23	-	-	-	39.23
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	39.16	-	-	-	39.16
Projects in Progress	Transmission System for evacuation of power from 2X500 MW Neyveli Lignite Corp. Ltd. TS-1 (Replacement) (NNTPS) in Neyveli, Tamil Nadu	40.55	-	-	-	40.55
Projects in Progress	Evacuation of RE in Tirunelveli and Tuticorin Wind Energy Zone (Tamil Nadu) 500 MW	33.10	-	-	-	33.10
Projects in Progress	Augmentation of transformation capacity at existing Hiriur and Kochi Sub-Stations	34.59	-	-	-	34.59
Projects in Progress	Implementation of 1 No. of 230 kV bay at Tuticorin-II GIS PS	4.65	-	-	-	4.65
Projects in Progress	Fibre Optic Communication System for Central Sector Sub-Stations & generating stations in Southern Region	0.83	-	-	-	0.83
Projects in Progress	OPGW Project (1517 km)-Telecom	1.99	-	-	-	1.99
Projects in Progress	Pkg-U,V,W,X,I-1,I-2 & I-3 -Telecom	30.00	-	-	-	30.00
Projects in Progress	Pkg-M-1,M-2 & M-3 - Telecom	13.82	-	-	-	13.82
Projects in Progress	Package-Z - Telecom	0.69	-	-	-	0.69
Projects in Progress	Network for NTAMC - Telecom	7.19	-	-	-	7.19

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

For the projects as on 31 March 2022:

(₹ in crore)

Particulars	Project	To be completed in				
		<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
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

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
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 SLDs 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
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

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
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 (Tarnar) 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
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 Thiruvallam S/s	74.74	-	-	-	74.74

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
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-AI	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

d) Aging of Intangible assets under development is as follows:

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
As at 31.03.2023					
Projects in progress	0.18	24.66	-	6.24	31.08
Projects temporarily suspended	-	-	-	-	-
Total	0.18	24.66	-	6.24	31.08
As at 31.03.2022					
Projects in progress	25.29	-	-	6.24	31.53
Projects temporarily suspended	-	-	-	-	-
Total	25.29	-	-	6.24	31.53

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:

For the year ended 31 March 2023:

(₹ in crore)

Particulars	Project	To be completed in				
		<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in Progress	North East - Northern / Western Interconnector - I Project	24.66	-	-	-	24.66
Projects in Progress	Western Region System Strengthening Scheme - V	6.24	-	-	-	6.24

64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

For the year ended 31 March 2022:

(₹ in crore)

Particulars	Project	To be completed in				
		<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 ₹ 7,200 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 31.03.2023	Balance outstanding as at 31.03.2022	Relationship with the Struck off company
Ace Consultants Pvt. Ltd.	Payables	0.00	0.00	Not a related party
Ankita Enterprise & Infrastructure Private Limited	Payables	0.00	-	Not a related party
Baur Instruments (India) Private Limited	Payables	NA	0.00	Not a related party
Beautex Advertising Media Private Limited	Payables	0.03	0.03	Not a related party
Braintech Infra Private Limited	Payables	0.00	0.01	Not a related party
Cyberian Infomercials India Private Limited	Payables	0.00	-	Not a related party
Das Enterprises Private Limited	Payables	0.00	-	Not a related party
Deligent Networks Private Limited	Payables	0.01	-	Not a related party
Eric Media Private Limited	Payables	0.00	-	Not a related party
Fortune Marketing Private Limited	Payables	0.00	-	Not a related party
Hindusthan Vidyut Products Limited	Payables	NA	0.01	Not a related party
Hvac Systems Private Limited	Payables	0.00	-	Not a related party
Imperial Foundation Pvt Ltd	Payables	NA	0.21	Not a related party
J K Paper Sacks Pvt. Ltd	Payables	0.00	-	Not a related party
Jai Ambey Trading Private Limited	Payables	NA	0.01	Not a related party
Jason Communication Private Limited	Payables	0.00	-	Not a related party
Matrix Telecom Solutions Private Limited	Payables	0.00	-	Not a related party
Mittsoo Solutions Private Limited	Payables	0.00	-	Not a related party
Modern Trading Private Limited	Payables	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 31.03.2023	Balance outstanding as at 31.03.2022	Relationship with the Struck off company
Monarch Electronics Private Limited	Payables	0.00	-	Not a related party
Om Industries Pvt Ltd	Payables	0.00	-	Not a related party
Om Services And Cargo Private Limited	Payables	0.00	-	Not a related party
Orient Cargo Movers Private Limited	Payables	0.00	-	Not a related party
Quality Research Services Private Limited	Payables	0.00	0.00	Not a related party
Raj Cable Network Private Limited	Payables	0.00	-	Not a related party
Rana Enterprises India Private Limited	Payables	0.00	-	Not a related party
Sharma Communications Private Limited	Payables	0.00	-	Not a related party
Siddharam Infrastructure Private Limited	Payables	0.04	0.04	Not a related party
Sigma Security Services Private Limited	Payables	0.01	0.01	Not a related party
Synergy Telecommunications Private Limited	Payables	0.16	0.16	Not a related party
Techsoul Energy Private Limited	Payables	NA	0.00	Not a related party
Tgn Networks Private Limited	Payables	0.00	-	Not a related party
United Enterprises Private Limited	Payables	0.00	-	Not a related party
Visaag Technologies Private Limited	Payables	0.00	0.00	Not a related party
Vishal Constructions Private Limited	Payables	0.22	-	Not a related party
Yumiko Global Infra Tech Private Limited	Payables	0.11	0.10	Not a related party
Arctos Telecom Private Limited (Opc)	Receivables	0.08	0.08	Not a related party
Beamon Technologies Private Limited	Receivables	0.04	-	Not a related party
Expeditive Infotech Private Limited	Receivables	0.08	0.11	Not a related party
Glan Solution India Private Limited	Receivables	0.03	0.03	Not a related party
Roofers Media Private Limited	Receivables	0.02	0.02	Not a related party
Shubhra Communications Private Limited	Receivables	0.04	0.04	Not a related party
Vaishali Computech Private Limited	Receivables	0.00	-	Not a related party
Viscom Media Private Limited	Receivables	0.02	0.02	Not a related party
Yash Techno Media Private Limited	Receivables	0.06	0.06	Not a related party
Anjal Impex Pvt. Ltd	Shares held by struck off company	0.00	-	Not a related party
Century Marbles & Granites Pvt Ltd	Shares held by struck off company	0.01	-	Not a related party
Isairis Trading Private Limited	Shares held by struck off company	0.00	0.00	Not a related party
J V A Enterprises Private Ltd.	Shares held by struck off company	NA	0.00	Not a related party
J.B. And Brothers Private Limited	Shares held by struck off company	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 31.03.2023	Balance outstanding as at 31.03.2022	Relationship with the Struck off company
Kothari Intergroup Ltd.	Shares held by struck off company	0.00	0.00	Not a related party
Unickon Fincap Private Limited	Shares held by struck off company	0.02	-	Not a related party
Vaishak Shares Limited	Shares held by struck off company	0.00	0.00	Not a related party
Vitalink Wealth Advisory Services Private Limited	Shares held by struck off company	0.00	0.00	Not a related party
Zenith Insurance Services Pvt Ltd	Shares held by struck off company	NA	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	0.90	0.62	45%	Due to decrease in current maturities of long-term borrowings and short terms borrowings.
b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.53	1.77	-14%	
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	1.52	1.61	-6%	
d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	19%	23%	-17%	
e) Inventory turnover ratio	Revenue from Operations	Average Inventory (before deducting provision)	32.22	29.14	11%	

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%
f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	3.85	4.46	-14%	
g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	10.94	12.35	-11%	
h) Net capital turnover ratio*	Revenue from Operations	Current Assets - Current Liabilities	-	-	-	
i) Net profit ratio	Profit for the period	Revenue from Operations	35%	43%	-19%	
j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	13%	11%	18%	
k) Return on investment	Income from Investments & Capital Appreciation	Time weighted Investments	8%	18%	-56%	Decrease due to decrease in market value of Investments

* 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. Other Notes

A. Exceptional Items:

During the previous year, the Company has monetised five (05) of its Subsidiaries through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). The 74% shares in the above five SPVs was transferred to PGInvIT in May 2021 and balance 26% shares of PVTI was transferred in March 2022. The balance 26% of remaining SPVs will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale". The Profit on said transactions (net of related expenses) has been disclosed under "Exceptional items" in previous year.

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. CERC vide order dated 17 May 2023 accorded its approval to undertake existing Telecommunications and Digital Technology business through Powergrid Teleservices Limited. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities.

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".

65. Other Notes (Contd.)

C. Central Electricity Regulatory Commission (CERC) vide order dated 25.02.2022 stated that expenses related to employees and other related expenses of Central Transmission Utility of India Limited (CTUIL) shall continue to be taken care of by the company for the period till 31.03.2024 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.

D. Recent Pronouncements

On 31.03.2023, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 applicable from 01.04.2023. The Company will assess and implement the amendments in the FY 2023-24, as applicable.

66. 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	G Ravisankar Director (Finance)	K. Sreekant Chairman & Managing Director
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As per our report of even date

For S. RAMANAND AIYAR & CO Chartered Accountants FRN : 000990N	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 R. Balasubramanian Partner M. No. 080432	CA Rakesh Bhanu Amara Partner M. No. 228411	CA Sanjay Sarkar Partner M. No. 064305	CA Satish Chandra Sharma Partner M. No. 072846

Date: 19 May 2023

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 2023, 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 2023, the profit and 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.

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 2023. 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	Recognition of Revenue from Transmission Income 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.	Our audit approach involved: 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. - Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission. - Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
	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. (Refer Note No. 35(b)(ii) Standalone Financial Statement)	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. Based on the above procedure performed, the recognition and measurement of revenue from transmission of power is considered to be adequate and reasonable.
2	Deferred Tax Assets relating to MAT credit entitlement 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. 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. (Refer Note No.26 of Standalone financial statements.)	Our audit approach involved: - Reviewing the current status of availability of MAT credits. - Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts. 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 to be adequate and reasonable.
3	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. 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. We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matters. (Refer Note No. 58 of Standalone financial statements)	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: - Reviewing the current status and material developments of legal matters. - Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon. - 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. Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.

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 and Sustainability 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 safeguarding 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

- I. 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 Ind AS 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 'I'**. 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.
 - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.
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 **S. RAMANAND AIYAR & CO.**
Chartered Accountants
FRN : 000990N

R. Balasubramanian
Partner
M. No. 080432
UDIN: 23080432BGWPJV3448

For **B M CHATRATH & CO LLP**
Chartered Accountants
FRN : 301011E/E300025

Sanjay Sarkar
Partner
M. No. 064305
UDIN: 23064305BGQJSO8703

Place: Gurugram

Date: 19 May 2023

For **UMAMAHESWARA RAO & CO**
Chartered Accountants
FRN : 004453S

Rakesh Bhanu Amara
Partner
M. No. 228411
UDIN: 23228411BGXSZT8800

For **PSD & ASSOCIATES**
Chartered Accountants
FRN : 004501C

Satish Chandra Sharma
Partner
M. No. 072846
UDIN: 23072846BGVVSZ7621

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 2023.

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 2023 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 2023, 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 **S. RAMANAND AIYAR & CO.**
Chartered Accountants
FRN : 000990N

R. Balasubramanian
Partner
M. No. 080432
UDIN: 23080432BGWJPV3448

For **B M CHATRATH & CO LLP**
Chartered Accountants
FRN : 301011E/E300025

Sanjay Sarkar
Partner
M. No. 064305
UDIN: 23064305BGQJSO8703

Place: Gurugram

Date: 19 May 2023

For **UMAMAHESWARA RAO & CO**
Chartered Accountants
FRN : 004453S

Rakesh Bhanu Amara
Partner
M. No. 228411
UDIN: 23228411BGXSZT8800

For **PSD & ASSOCIATES**
Chartered Accountants
FRN : 004501C

Satish Chandra Sharma
Partner
M. No. 072846
UDIN: 23072846BGVVS7621

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 2023

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 government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on our verification and explanations and information given to us, funds received/receivable for specific scheme from Central/State government or its agencies were properly accounted for and utilized as per its terms and conditions. No deviations were noticed by us.	NIL

For **S. RAMANAND AIYAR & CO.**
Chartered Accountants
FRN : 000990N

R. Balasubramanian
Partner
M. No. 080432
UDIN: 23080432BGWJPV3448

For **B M CHATRATH & CO LLP**
Chartered Accountants
FRN : 301011E/E300025

Sanjay Sarkar
Partner
M. No. 064305
UDIN: 23064305BGQJSO8703

Place: Gurugram

Date: 19 May 2023

For **UMAMAHESWARA RAO & CO**
Chartered Accountants
FRN : 004453S

Rakesh Bhanu Amara
Partner
M. No. 228411
UDIN: 23228411BGXSZT8800

For **PSD & ASSOCIATES**
Chartered Accountants
FRN : 004501C

Satish Chandra Sharma
Partner
M. No. 072846
UDIN: 23072846BGVVS7621

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 2023, 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 Crores)	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
Leasehold Land					
Pandiabili	9.23	Govt. of Odisha	No	12-01-2018	The Company is in the process of getting the lease deed registered from Govt. of Odisha. Documents has been submitted with Sub-registrar, Jatni and the same is under Process for registration of lease deed.
Rourkela	0.26	SAIL-Rourkela	NO	25-07-2020	The Original Tripartite sub Lease agreement between Govt. of Odisha, Rourkela Steel Plant & POWERGRID has expired. The same is under process of renewal.
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	4.49	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	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.

Description of the property	Gross Carrying Amount (₹ in Crores)	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
Jamshedpur	1.45	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	
400/220 kV GIS Pooling Station Chamba,Village Mohal Rajera Tehsil & Distt. Chamba (HP)	12.36	HP Govt	No	19-10-2011	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.
SLTS_Kargil Substation (UT of Ladakh)	0.00	PDD Kargil	No	31.10.2019	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. Land in UT of Ladakh (erstwhile State of Jammu & Kashmir) is acquired by State Government under state land acquisition act. As per law, the UT/state government remains the owner of the land acquired, and the company is only given possession for specific use.
SLTS_Drass Substation (UT of Ladakh)	0.00	PDD Kargil	No	31.10.2019	
SLTS_Leh Substation (UT of Ladakh)	0.00	PDD Leh	No	31.10.2019	
SLTS_Khalsti Substation (UT of Ladakh)	0.00	PDD Leh	No	31.10.2019	
Wagoora_ 400/220 kV Sub-Station Wagoora,Village Wagoora Tehsil & Distt. Budgam, Kashmir	1.33	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by UT/State Government under state land acquisition act. As per law, the UT/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	Govt of J&K	No	30-11-2010	

Description of the property	Gross Carrying Amount (₹ in Crores)	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
Kishenpur Township_ 800/400/220 KV Sub-Station Kishenpur, zVillage Kharta Tehsil Jindhra & Distt. Jammu (TOWNSHIP LAND)	0.06	Govt of J&K	No	31-03-1995	Land in UT of J&K is acquired by UT/State Government under state land acquisition act. As per law, the UT/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, Village Kharta Tehsil Jindhra & Distt. Jammu	0.34	Govt of J&K	No	31-03-1993	
Narwal_ Line Office Narwal	0.00	Govt of J&K	No	FY 1993-94 onwards	
Samba_ Samba S/S Land	11.60	Govt of J&K	No	19-04-2012	
TL Land in UT of Jammu and Kashmir	93.95	Govt of J&K	No	FY 1993-94 onwards	
Vishakapatnam	0.00	Rahtriya Ispat Nigam Limited	No	23-03-2022	Lease agreement had expired and the Company is in the process of negotiating the lease terms
Freehold Land					
Township-Sector 46, Gurgaon	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	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	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.

Description of the property	Gross Carrying Amount (₹ in Crores)	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
Maithon	0.32	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.
Alipurduar- Mathabhanga Earth Electrocode	0.67	Multiple Private Owner	No	31-12-2012	
Rajarhat	23.23	Multiple Private Owner	No	30-11-2014	
Aizawl	0.03	Govt. of Mizoram	No	1991	
Faridabad, NR-1, RHQ (Township)	6.42	Haryana Shahari Vikas Pradhikaran (HSVP)	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.
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.
Line Office Banikhet, Tehsil & Distt. Chamba (HP)	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.
Kurnool Land	16.52	Govt. of Andhra Pradesh	No	28-03-2023	Land has been acquired on 28.03.2023 and the Company is in the process of getting the title deed registered.
Hiriyur 400/220 KV Substation	0.34	Karnataka Industrial Area 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 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.
Somanhalli 400/220 KV SS	0.34	Karnataka Power Transmission Corporation Limited (KPTCL)	No	FY 1992-93 onwards	

Description of the property	Gross Carrying Amount (₹ in Crores)	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
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.
Tumkur 765/400/220 KV SS	42.29	Karnataka Industrial Area Development Board (KIADB)	No	25-09-2013	
Kudugi 765/400 KV GIS	8.83	Karnataka Industrial Area Development Board (KIADB) and Others	No	28-02-2014	
Bidadi 400/220 KV Substation	20.00	Karnataka Industrial Area Development Board (KIADB)	No	23-03-2011	
Pavagada 400/220 KV SS	0.26	Private Parties are, 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	47.31	Shri Ramesh and Shri R Rajan	No	19-10-2011	Pursuant to the directions of the Hon'ble High Court, Madras 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, Madras is yet to decide the case. Therefore, title deed is yet to be transferred in the name of the Company.

Description of the property	Gross Carrying Amount (₹ in Crores)	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
New Navsari SS	21.44	Govt. of Gujarat	No	20-06-2022	Land has been acquired on 20.06.2022 on the basis of adhoc payment and final demand is still awaited. The procedure of title deeds will be undertaken after the discharge of the final demand.
Buildings					
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 and 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 31.03.2023	Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2023	Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2023
1	Subsidiaries	234.46	475.43	-	-	3224.55	16689.51
2	Joint Ventures	-	-	-	-	-	18.40

(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 given, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal and receipts of interest are regular, except in a case of, a joint venture of the Company, which has not repaid due amount of principal amount of loan and not paid interest, detail of which is as given hereunder:

Name of the entity	Nature of outstanding	Amount Overdue (₹ in crore)	Due Date	Extent of delay	Remarks
National High Power Test Laboratory Private Limited (NHPTL)	Principal	0.30	31/10/2022	Ranges from 1 day to 6 months	Principal amount of Loan granted is Rs. 18.40 Crores
		0.62	30/09/2022		
		0.62	31/03/2023		
	Interest	3.34	30.09.2020 onwards	Ranges from 12 to 30 months	

- (d) According to the information and explanations given to us and based on the audit procedures performed by us, receipt of principal of Rs.0.92 crore and interest of Rs.3.34 crore is overdue for a period of more than 90 days in respect of a loan given to NHPTL a joint venture company. In our opinion, the Company has taken reasonable steps for recovery of above principal and interest.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that 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 overdue 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 and 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 and 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 2023 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 and Service tax and other Statutory dues have not been deposited as at 31 March 2023:

Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.95	For the F.Y. 2007-08 to F.Y. 2016-17 and F.Y. 2018-19 to F.Y. 2022-23	Jurisdictional Assessing Officers of TANs

Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8.52	For the F.Y. 2018-19 and F.Y. 2020-21	CIT (A) Income Tax
Finance Act, 1994	Service Tax	1.88	FY 2016-17 and FY 2017-18	Joint 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	Commissioner (Appeal)
Chhattisgarh Entry Tax Act, 1976	Entry Tax	199.06	From the F.Y. 2011-12 to F.Y. 2017-18	Chhattisgarh High Court
Finance Act, 1994	Reverse Charge on Compensatory Afforestation Fund Management & Planning Authority (CAMPA) payments	21.51	F.Y. 2016-17 and F.Y. 2017-18	CESTAT, Mumbai
Finance Act, 1994	Service Tax	1.54	For the F.Y. 2003-04	Patna High Court
Jammu and Kashmir General Sales Tax Acts, 1962	Sales Tax/VAT	6.47	From F.Y. 1996-97 to F.Y. 2001-02	Hon'able High Court of Jammu and Kashmir and Ladakh at Jammu
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 and Chandigarh
Delhi Municipal Corporation Act. 1957	Property Tax	211.47	From F.Y. 2004-05- to F.Y. 2013-14	Hon'ble High Court, Delhi
Central Excise Act, 1944	Service Tax	0.03	F.Y. 2016-17 and F.Y. 2017-18	Deputy commissioner Custom and Central Excise, Jabalpur
Central Excise Act, 1944	Service Tax	17.28	April 16-June 17	Appellate Tribunal Ahmedabad
MP Land Revenue Code, 1959	Diversions Tax	2.97	From F.Y. 2004-05- to F.Y. 2017-18	High Court of M.P. Jabalpur
Delhi Municipal Corporation Act. 1957	Property tax	94.76	From F.Y. 2007-08 to F.Y. 2017-18	Hon'ble High Court, Delhi
Total		580.36		

* 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 (Section 43 of Income Tax Act, 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (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:

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crores)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crores)	Amount Outstanding as on 31 March 2023 (₹ in Crores)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	-	37.71	867.35	Powergrid NM Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	1.22	32.46	Powergrid Unchahar Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	0.03	0.89	Powergrid Unchahar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	1.94	118.16	1337.64	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	5.04	98.18	1104.33	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	8.96	78.36	1273.25	Powergrid Medinipur Jeerat Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	37.46	60.56	981.68	Powergrid Medinipur Jeerat Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	0.84	12.18	463.34	Powergrid Mithilanchal Transmission Limited	Subsidiary	Capex
Term Loans	Bank	26.38	10.41	408.47	Powergrid Mithilanchal Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	14.34	386.62	Powergrid Varanasi Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	28.59	10.08	284.91	Powergrid Varanasi Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	1.21	17.2	450.98	Powergrid Khetri Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	2.9	6.29	165.61	Powergrid Khetri Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	4.92	-	254.84	Powergrid Bhuj Transmission Limited	Subsidiary	Capex
Term Loans	Bank	86.64	-	193.44	Powergrid Bhuj Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	1.3	1.55	165.05	Powergrid Bhind Guna Transmission Limited	Subsidiary	Capex
Term Loans	Bank	47.15	1.22	132.23	Powergrid Bhind Guna Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	11.9	381.37	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Capex
Term Loans	Bank	8.57	1.1	40.73	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Capex

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crores)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crores)	Amount Outstanding as on 31 March 2023 (₹ in Crores)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	2.05	13.11	355.99	Powergrid Fatehgarh Transmission Limited	Subsidiary	Capex
Term Loans	Bank	11.75	3.06	87.73	Powergrid Fatehgarh Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	8.43	-	57.45	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Capex
Term Loans	Bank	125.15	-	208.92	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	13.15	-	181.34	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Capex
Term Loans	Bank	91.34	-	200.46	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	58.81	-	64.01	Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	205.1	4.5	200.6	Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	Subsidiary	Capex
Bonds	Bond Holders	6.98	-	10.93	Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	127.61	-	133.43	Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	Subsidiary	Capex
Bonds	Bond Holders	13.54	-	67.25	Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	143.43	-	151.68	Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	Subsidiary	Capex
Bonds	Bond Holders	132.9	-	156.8	Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	Subsidiary	Capex

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crores)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crores)	Amount Outstanding as on 31 March 2023 (₹ in Crores)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Term Loans	Bank	370.72	-	391.21	Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	Subsidiary	Capex
Bonds	Bond Holders	0.01	2.15	284.67	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Capex
Term Loans	Bank	2.79	0.27	38.98	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	102.94	-	102.94	Powergrid Neemuch Transmission Limited (Erstwhile Neemuch Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	81.57	-	81.57	Powergrid Neemuch Transmission Limited (Erstwhile Neemuch Transmission Limited)	Subsidiary	Capex
Bonds	Bond Holders	119.66	-	119.66	Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	310.29	-	310.29	Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)	Subsidiary	Capex
Bonds	Bond Holders	7.07	-	7.07	Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	7.86	-	7.86	Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)	Subsidiary	Capex
Bonds	Bond Holders	172.25	-	172.25	Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited)	Subsidiary	Capex
Term Loans	Bank	231.73	-	231.73	Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited)	Subsidiary	Capex

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crores)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crores)	Amount Outstanding as on 31 March 2023 (₹ in Crores)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	8.6	-	8.6	Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	Subsidiary	Capex
Term Loans	Bank	145.32	-	145.32	Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	Subsidiary	Capex
Guarantee	Bank	-	2.23	-	Powergrid Jabalpur Transmission Limited	Associate	Performance Bank Guarantee
Guarantee	Bank	-	10.92	12.69	Powergrid Mithilanchal Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	16.44	-	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	28.82	27.11	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	23.55	-	Powergrid Bhuj Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	33.75	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	28.14	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	110.04	-	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	14.04	Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	25.63	Powergrid Bhind Guna Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	34.65	Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	Subsidiary	Performance Bank Guarantee

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crores)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crores)	Amount Outstanding as on 31 March 2023 (₹ in Crores)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Guarantee	Bank	-	-	10.5	Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	37.13	Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	-	17.33	Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	6.84	-	6.84	Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	15.33	-	15.33	Powergrid Gomati Yamuna Transmission Limited (Erstwhile Mohanalganj Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	31.01	-	31.01	Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	18.60	-	18.60	Powergrid Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	18.00	-	18.00	Powergrid KPS2 Transmission system Limited (Erstwhile KPS2 Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	15.90	-	15.90	Powergrid KPS3 Transmission Limited (Erstwhile KPS2 Transmission Limited)	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	30.00	-	30.00	Khavda II-B Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	39.90	-	39.90	Khavda II -C Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	24.00	-	24.00	Khavda RE Transmission Limited	Subsidiary	Performance Bank Guarantee

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crores)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crores)	Amount Outstanding as on 31 March 2023 (₹ in Crores)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Guarantee	Bank	4.80	-	4.80	Raipur Pool Dhamtari Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	9.00	-	9.00	Dhramjaigarh Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	16.28	-	16.28	Bhadla Sikar Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	4.80	-	4.80	Powergrid ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited)	Subsidiary	Performance Bank Guarantee

- (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 covered under Section 192 of the Act. Accordingly, Clause 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, provision of clause 3(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 been no 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, Clause 3(xx)(a) and 3(xx)(b) are not applicable to the company.

For **S. RAMANAND AIYAR & CO.**
Chartered Accountants
FRN : 000990N

R. Balasubramanian
Partner
M. No. 080432
UDIN: 23080432BGWPJV3448

For **B M CHATRATH & CO LLP**
Chartered Accountants
FRN : 301011E/E300025

Sanjay Sarkar
Partner
M. No. 064305
UDIN: 23064305BGQJSO8703

For **UMAMAHESWARA RAO & CO**
Chartered Accountants
FRN : 004453S

Rakesh Bhanu Amara
Partner
M. No. 228411
UDIN: 23228411BGXSZT8800

For **PSD & ASSOCIATES**
Chartered Accountants
FRN : 004501C

Satish Chandra Sharma
Partner
M. No. 072846
UDIN: 23072846BGVVS7621

Place: Gurugram

Date: 19 May 2023

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as at 31 March 2023

(₹ in crore)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	183,777.39	190,048.35
Capital work-in-progress	5	13,741.24	12,799.90
Investment Property	6	-	-
Intangible assets	7	1,659.60	1,724.49
Intangible assets under development	8	31.08	53.70
Investments in Joint Ventures accounted for using the equity method	9A	1,714.65	1,861.21
Financial Assets			
Investments	9	1,774.46	1,926.43
Trade receivables	10A	733.18	-
Loans	10	446.44	406.45
Other non-current financial assets	11	5,953.45	4,591.16
Other non-current assets	12	5,561.25	4,977.66
		215,392.74	218,389.35
Assets Classified as Held for Sale	19A	-	245.00
		215,392.74	218,634.35
Current assets			
Inventories	13	1,339.95	1,357.17
Financial Assets			
Trade receivables	14	12,961.35	9,189.33
Cash and cash equivalents	15	5,192.17	2,577.11
Bank balances other than Cash and cash equivalents	16	2,192.41	2,471.07
Loans	17	107.03	98.59
Other current financial assets	18	2,384.86	6,442.43
Other current assets	19	229.74	224.28
		24,407.51	22,359.98
Assets Classified as Held for Sale	19A	260.86	15.86
		24,668.37	22,375.84
Regulatory Deferral Account Balances	20	10,234.44	9,933.24
Total Assets		250,295.55	250,943.43
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	21	6,975.45	6,975.45
Other Equity	22	76,039.06	69,271.68
		83,014.51	76,247.13
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	23	113,891.29	114,199.40
Lease Liabilities		62.17	27.58
Other non-current financial liabilities	24	3,564.67	3,523.00

Consolidated Balance Sheet as at 31 March 2023 (Contd.)

(₹ in crore)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
Provisions	25	577.87	517.14
Deferred tax liabilities (Net)	26	10,678.87	11,356.98
Other non-current liabilities	27	200.36	242.89
		128,975.23	129,866.99
Current liabilities			
Financial Liabilities			
Borrowings	28	12,703.61	20,465.87
Lease liabilities		4.13	2.78
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	49.34	47.19
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	278.45	219.91
Other current financial liabilities	30	10,711.68	10,174.00
Other current liabilities	31	3,326.10	3,228.45
Provisions	32	1,016.22	1,167.12
Current Tax Liabilities (Net)	33	52.76	9.45
		28,142.29	35,314.77
Deferred Revenue	34	10,163.52	9,514.54
Total Equity and Liabilities		250,295.55	250,943.43

The accompanying notes (1 to 68) form an integral part of financial statements

For and on behalf of the Board of Directors

Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

For **S. RAMANAND AIYAR & CO**
Chartered Accountants
FRN : 000990N

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 R. Balasubramanian
Partner
M. No. 080432

CA Rakesh Bhanu Amara
Partner
M. No. 228411

CA Sanjay Sarkar
Partner
M. No. 064305

CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

Place: Gurugram

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(₹ in crore)

Particulars	Note No	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue From Operations	35	45,581.28	41,621.64
Other Income	36	1,024.36	1,076.26
Total Income		46,605.64	42,697.90
EXPENSES			
Employee benefits expense	37	2,508.53	2,243.89
Finance costs	38	9,633.94	8,036.22
Depreciation and amortisation expense	39	13,333.38	12,871.66
Other expenses	40	3,594.62	2,805.55
Total expenses		29,070.47	25,957.32
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional items, tax and Regulatory Deferral Account Balances		17,535.17	16,740.58
Share of net profits of investments in Joint Ventures accounted for using Equity Method		(82.12)	78.47
Profit before Exceptional items, tax and Regulatory Deferral Account Balances		17,453.05	16,819.05
Exceptional items		-	(3,320.33)
Profit Before Tax and Regulatory Deferral Account Balances		17,453.05	20,139.38
Tax expense:			
Current tax - Current Year		3,018.28	3,352.29
- Earlier Years		(73.76)	(38.46)
Deferred tax	26	(660.02)	(528.26)
		2,284.50	2,785.57
Profit for the period before Regulatory Deferral Account Balances		15,168.55	17,353.81
Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	41	248.57	(529.74)
Profit for the period attributable to owners of the parent		15,417.12	16,824.07
Other Comprehensive Income			
Items that will not be reclassified to profit or loss (net of tax)	42	(106.69)	290.90
Share of other comprehensive income of Joint Ventures accounted for using Equity Method		2.19	0.24
Total Comprehensive Income for the period attributable to owners of the parent		15,312.62	17,115.21

Consolidated Statement of Profit and Loss for the year ended 31 March 2023 (Contd.)

Particulars	Note No	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	22.10	24.12
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	21.75	24.88

The accompanying notes (1 to 68) form an integral part of financial statements

For and on behalf of the Board of Directors

Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

For **S. RAMANAND AIYAR & CO**
Chartered Accountants
FRN : 000990N

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 R. Balasubramanian
Partner
M. No. 080432

CA Rakesh Bhanu Amara
Partner
M. No. 228411

CA Sanjay Sarkar
Partner
M. No. 064305

CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

Place: Gurugram

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

A. Equity Share Capital

(₹ in crore)

As at 01 April 2022	6,975.45
Changes during the year	-
As at 31 March 2023	6,975.45
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

B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus						Other Com- prehensive Income (OCI)	Total
	Capital Reserve	Securities Premium	Bond Re- demption Reserve	Self In- surance Reserve	General Reserve	Retained Earnings	Equity instru- ments through OCI	
As at 01 April 2022	9.88	7,834.43	5,532.80	874.86	50,430.26	4,097.36	492.09	69,271.68
Profit for the year						15,417.12		15,417.12
Other Comprehensive Income						19.42	(123.92)	(104.50)
Total Comprehensive Income for the period attributable to owners of the parent						15,436.54	(123.92)	15,312.62
Adjustments during the year								
Transfer to General Reserve					8,000.00	(8,000.00)		-
Transfer from Bond Redemption Reserve			(1,364.63)			1,364.63		-
Transfer to Self Insurance Reserve				318.15		(318.15)		-
Transfer from Self Insurance Reserve				(104.55)	104.55	-		-
Final Dividend F.Y. 2021-22						(1,569.48)		(1,569.48)
Interim Dividend F.Y. 2022-23						(6,975.45)		(6,975.45)
Other Adjustments						(3.75)	3.44	(0.31)
As at 31 March 2023	9.88	7,834.43	4,168.17	1,088.46	58,534.81	4,031.70	371.61	76,039.06

Consolidated Statement of Changes in Equity for the year ended 31 March 2023 (Contd.)

B. Other Equity (contd.)

(₹ in crore)

Particulars	Reserves and Surplus						Other Com- prehensive Income (OCI)	Total
	Capital Reserve	Securities Premium	Bond Re- demption Reserve	Self In- surance Reserve	General Reserve	Retained Earnings	Equity in- struments through OCI	
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						(133.81)	424.95	291.14
Total Comprehensive Income for the period attributable to owners of the parent						16,690.26	424.95	17,115.21
Adjustments during the year								
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 Adjustments						(1.31)		(1.31)
As at 31 March 2022	9.88	7,834.43	5,532.80	874.86	50,430.26	4,097.36	492.09	69,271.68

The accompanying notes (1 to 68) 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

Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

For **S. RAMANAND AIYAR & CO**
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CA Sanjay Sarkar
Partner
M. No. 064305

CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

Place: Gurugram

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Regulatory Deferral Account Balances	17,453.05	20,139.38
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	248.57	(529.74)
Add: Tax on Net movement in Regulatory Deferral Account Balances	52.63	(112.15)
Net Profit Before Tax (including Net movement in regulatory deferral account balances)	17,754.25	19,497.49
Adjustment for :		
Depreciation & amortisation expenses	13,333.38	12,871.66
Transfer from Grants in Aid	(315.33)	(300.26)
Deferred revenue - Advance against Depreciation	(151.56)	(152.46)
Provisions	37.65	4.20
Changes in fair value of financial instruments through profit or loss	(27.90)	(16.44)
Share of net profits of joint ventures accounted for using equity method	82.12	(78.47)
Profit on sale of investment in subsidiaries	-	(3,554.88)
Net Loss on Disposal / Write off of Property, Plant & Equipment	22.09	28.41
Deferred Foreign Currency Fluctuation Asset	(159.19)	(42.69)
Deferred Income from Foreign Currency Fluctuation	1,116.10	191.07
Regulatory Deferral Account Debit Balances	(301.20)	641.89
Finance Costs	9,633.94	8,036.22
Provisions Written Back	(29.93)	(13.13)
FERV loss / (gain)	-	(0.03)
Profit on sale of investments in Mutual Funds	-	(15.95)
Interest income on Deposits, Bonds, loans to JVs, PG InvIT etc	(220.11)	(243.09)
Surcharge income	(181.98)	(375.30)
Income from finance lease	(241.34)	(124.82)
Dividend income	(111.92)	(159.60)
	22,484.82	16,696.33
Operating profit before Changes in Assets and Liabilities	40,239.07	36,193.82
Adjustment for Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventories	14.13	13.51
(Increase)/Decrease in Trade Receivables	(4,377.79)	(566.79)
(Increase)/Decrease in Other Financial Assets	4,444.40	(4,965.76)
(Increase)/Decrease in Other Non-current Assets	6.02	61.79
(Increase)/Decrease in Other Current Assets	(5.46)	(68.72)
Increase/(Decrease) in Liabilities & Provisions	537.41	(824.95)
	618.71	(6,350.92)
Cash generated from operations	40,857.78	29,842.90

Consolidated Statement of Cash Flows for the year ended 31 March 2023 (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Direct taxes paid	(2,853.04)	(3,719.38)
Net Cash from Operating Activities	38,004.74	26,123.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(6,902.57)	(7,966.22)
Receipt of Grant	0.35	131.42
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
Investments in joint venture companies & others	(1.66)	(442.54)
Loans & Advances to Joint Venture/Associate Companies (including repayments)	-	5,022.78
Financial lease receipts	180.46	143.53
Interest received on Deposits, Bonds & loans to JVs, PG InvIT etc	206.19	238.06
Surcharge received	201.85	251.19
Dividend received from joint venture companies	77.76	68.38
Dividend received from other investments	111.92	159.60
Net Cash flow from/(used in) Investing Activities	(6,125.70)	752.79
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings		
Non Current	9,140.44	2,584.70
Current	11,845.00	7,400.00
Repayment of Borrowings		
Non Current	(15,540.65)	(15,410.82)
Current	(16,445.00)	(3,900.00)
Repayment of Lease Liabilities (Including interest)	(8.86)	(8.18)
Finance Costs paid	(9,709.98)	(8,820.68)
Dividend paid	(8,544.93)	(10,811.96)
Net Cash used in Financing Activities	(29,263.98)	(28,966.94)
D. Net change in Cash and Cash equivalents (A+B+C)	2,615.06	(2,090.63)
E. Cash and Cash equivalents (Opening balance) (including classified as held for sale)	2,577.11	4,667.74
F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*	5,192.17	2,577.11

The accompanying notes (1 to 68) form an integral part of financial statements

* Includes ₹ 1048.54 crore (Previous Year ₹ 1341.75 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.

Consolidated Statement of Cash Flows for the year ended 31 March 2023 (Contd.)

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

(₹ in crore)

Particulars	Finance lease obligations	Non-current borrowings	Current borrowings
Opening Balance as at 1st April, 2022	30.36	132,147.04	5,300.00
Net Cash Flows during the year	(8.86)	(14,514.55)	(4,600.00)
Non-cash changes due to :			
- Adjustments/Acquisitions under finance lease	44.80		
- Interest on borrowings		8,285.51	
- Variation in exchange rates		2,929.84	
- Fair value adjustments		3.65	
Closing Balance as at 31st March, 2023	66.30	128,851.49	700.00

(₹ in crore)

Particulars	Finance lease obligations	Non-current borrowings	Current borrowings
Opening Balance as at 1st April, 2021	22.17	144,511.85	1,800.00
Net Cash Flows during the year	(8.18)	(20,998.44)	3,500.00
Non-cash changes due to :			
- Adjustments/Acquisitions under finance lease	16.37		
- Interest on borrowings		7,846.84	
- Variation in exchange rates		781.06	
- Fair value adjustments		5.73	
Closing Balance as at 31st March, 2022	30.36	132,147.04	5,300.00

Includes current maturities of non-current borrowings and interest accrued thereon.

For and on behalf of the Board of Directors

Mrinal Shrivastava
Company Secretary

G Ravisankar
Director (Finance)

K. Sreekant
Chairman & Managing Director

As per our report of even date

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CA Satish Chandra Sharma
Partner
M. No. 072846

Date: 19 May 2023

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 2023 were approved for issue by the Board of Directors on 19 May 2023.

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

v) Current and non-current classification

The 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 in (a) and (b) 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 superannuation 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Debt Instruments at Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent

solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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:

- the total of all Regulatory Deferral Account Debit Balances; and
- 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 transaction price to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the 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 (including considered as Lease receivables) and value of Inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-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 no. 65.

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.

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

(₹ in crore)

Particulars		Cost				Accumulated depreciation				Net Book Value		
		As at 01 April 2022	Additions during the year	Disposal	Adjustment during the Year	As at 31 March 2023	As at 01 April 2022	Additions during the Year	Disposal	Adjustment during the year	As at 31 March 2023	As at 31 March 2022
Land												
Freehold	2,407.23	39.54	-	(4.53)	2,451.30	-	-	-	-	-	2,451.30	2,407.23
Buildings												
a) Sub-Stations & Office	2,908.33	133.21	-	(2.40)	3,043.94	388.56	109.12	-	(1.55)	499.23	2,544.71	2,519.77
b) Township	776.98	81.14	-	(0.07)	858.19	173.04	34.75	-	-	207.79	650.40	603.94
Temporary Erection	1.38	0.62	-	-	2.00	1.38	0.62	-	-	2.00	-	-
Roads & Bridges	327.03	8.23	-	(0.02)	335.28	57.30	12.88	-	-	70.18	265.10	269.73
Water Supply Drainage & Sewerage	177.25	20.33	-	-	197.58	32.60	7.04	-	-	39.64	157.94	144.65
Plant & Equipment												
a) Transmission	155,094.80	2,166.08	10.98	(1,020.13)	158,270.03	43,431.12	7,901.45	4.24	(0.85)	51,329.18	106,940.85	111,663.68
b) Sub-station	92,813.17	3,134.81	116.60	(372.31)	96,203.69	24,250.72	5,118.99	91.03	(3.99)	29,282.67	66,921.02	68,562.45
c) Unified Load Despatch & Communication	1,727.62	200.66	-	8.46	1,919.82	469.75	107.25	-	(0.23)	577.23	1,342.59	1,257.87
d) Telecom	1,508.62	107.65	-	(5.70)	1,621.97	709.12	113.64	-	0.16	822.60	799.37	799.50
Furniture Fixtures	191.33	16.15	2.46	0.05	204.97	61.97	29.08	1.06	0.05	89.94	115.03	129.36
Vehicles	5.03	1.07	0.41	-	5.69	1.44	0.73	0.09	-	2.08	3.61	3.59
Office equipment	291.29	42.88	2.46	(0.59)	332.30	88.59	111.20	0.91	(0.16)	199.04	133.26	202.70
Electronic Data Processing & Word Processing Machines	225.82	20.02	8.25	-	237.59	157.61	47.59	6.77	0.01	198.42	39.17	68.21
Construction and Workshop equipment	616.36	8.72	1.43	(0.29)	623.94	137.17	32.77	0.65	(0.08)	169.37	454.57	479.19
Electrical Installation	166.13	14.92	-	(0.32)	181.37	48.39	11.47	-	0.03	59.83	121.54	117.74
Laboratory Equipments	91.53	1.20	0.01	0.26	92.46	27.04	4.01	0.01	0.04	31.00	61.46	64.49
Workshop & Testing Equipments	351.84	27.00	0.05	(1.49)	380.28	75.71	21.96	0.01	(0.26)	97.92	282.36	276.13
Miscellaneous Assets/ Equipments	0.23	0.48	-	-	0.71	0.03	0.02	-	-	0.05	0.66	0.20
Right-of-use (ROU) Assets												
a) ROU Assets- Leasehold Land	565.86	15.80	0.10	14.74	566.82	91.09	17.80	0.01	0.88	108.00	458.82	474.77
b) ROU Asset- Buildings	13.15	2.45	1.89	-	13.71	8.45	2.38	1.87	-	8.96	4.75	4.70
c) ROU Asset- Plant & Machinery- Telecom	0.22	23.33	-	-	23.55	0.03	0.37	-	-	0.40	23.15	0.19
d) ROU Asset- Vehicles	-	6.03	-	-	6.03	-	0.30	-	-	0.30	5.73	-
Total	260,261.20	6,072.32	144.64	(1,384.34)	267,573.22	70,211.11	13,685.42	106.65	(5.95)	83,795.83	183,777.39	190,050.09
Less: Provision for assets discarded	1.74	-	-	1.74	-	-	-	-	-	-	-	1.74
Grand Total	260,259.46	6,072.32	144.64	(1,386.08)	267,573.22	70,211.11	13,685.42	106.65	(5.95)	83,795.83	183,777.39	190,048.35

Note 4: Property, Plant and Equipment (Contd.)

(₹ 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
Land												
Freehold	2,385.58	26.44	-	4.79	2,407.23	-	-	-	-	-	2,407.23	2,385.58
Buildings												
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	2,001.14
b) Township	687.43	90.68	0.04	1.09	776.98	143.48	29.32	0.03	(0.27)	173.04	603.94	543.95
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	219.03
Water supply Drainage & Sewerage	120.56	56.68	-	(0.01)	177.25	26.43	6.18	0.01	-	32.60	144.65	94.13
Plant & Equipment												
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	109,216.81
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	64,013.35
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	1,112.86
d) Telecom	1,305.38	204.15	-	0.91	1,508.62	595.89	113.80	-	0.57	709.12	799.50	709.49
Furniture Fixtures	160.16	30.62	1.06	(1.61)	191.33	48.96	12.79	0.20	(0.42)	61.97	129.36	111.20
Vehicles	3.40	1.78	0.15	-	5.03	1.28	0.29	0.13	-	1.44	3.59	2.12
Office equipment	246.60	46.94	1.99	0.26	291.29	71.18	18.15	0.78	(0.04)	88.59	202.70	175.42
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	105.07
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	495.54
Electrical Installation	154.57	10.81	0.01	(0.76)	166.13	39.54	8.81	-	(0.04)	48.39	117.74	115.03
Laboratory Equipments	87.85	3.73	0.01	0.04	91.53	22.44	4.60	-	-	27.04	64.49	65.41
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	268.69
Miscellaneous Assets/ Equipments	0.46	0.23	-	0.46	0.23	0.08	0.03	0.01	0.07	0.03	0.20	0.38
Right-of-use (ROU) Assets												
a) ROU Assets- Leasehold Land	539.88	25.18	-	(0.80)	565.86	72.14	18.95	-	-	91.09	474.77	467.74
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	7.56
c) ROU Asset- Plant & Machinery- Telecom	0.27	0.01	0.06	-	0.22	0.06	0.03	0.06	-	0.03	0.19	0.21
Total	239,278.69	20,544.96	116.03	(553.58)	260,261.20	57,167.96	13,134.39	83.47	7.77	70,211.11	190,050.09	182,110.73
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	-	1.74	1.74
Grand Total	239,276.95	20,544.96	116.03	(553.58)	260,259.46	57,167.96	13,134.39	83.47	7.77	70,211.11	190,048.35	182,108.99

Note 4: Property, Plant and Equipment (Contd.)

Further Notes:

- The Group owns 7,873 hectare (Previous Year 7,667 hectare) of land amounting to ₹3,018.12crore (Previous Year ₹2,973.09crore) which has been classified into freehold land 6,582 hectare (Previous Year 6,416 hectare) amounting to ₹2,451.30crore (Previous Year ₹2,407.23crore) and Right of Use - Land 1,291 hectare (Previous Year 1,251 hectare) amounting to ₹566.82crore (Previous Year ₹565.86crore) based on available documentation.
- Freehold land acquired by the group includes 198.93 hectare (Previous Year 32.27 hectare) amounting to ₹48.01crore (Previous Year ₹9.13crore) in respect of land acquired by the group for which only mutation in revenue records is pending.
- 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.
- Right of Use - Land includes area of 61.26 hectare (Previous Year 83.40 hectare) amounting to ₹154.72crore (Previous Year ₹148.75crore) in respect of land acquired on perpetual lease basis and hence not amortised.
- 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04crore (Previous Year ₹0.04crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- Refer note no. 51 for disclosure on Right of Use Assets as per Ind AS 116 - "Leases".
- Refer note no. 23 for information on property, plant and equipment pledged as security by the group.

Note 5: Capital work in progress

(₹ in crore)

Particulars	As at 01 April 2022	Additions during the year	Adjustments	Transferred to Lease Receivables	Capitalised during the year	As at 31 March 2023
Land						
Development of land	-	-	-	-	-	-
Buildings						
a) Sub-Stations & Office	73.81	88.63	2.20	-	100.79	59.45
b) Township	77.91	55.55	9.53	-	56.11	67.82
Temporary erection	-	0.29	-	-	0.29	-
Roads & Bridges	12.30	3.96	12.00	-	4.10	0.16
Water Supply Drainage and Sewerage	0.98	4.98	(1.29)	-	4.53	2.72
Plant & Equipments (including associated civil works)						
a) Transmission	3,526.34	2,757.18	2.30	597.17	1,847.33	3,836.72
b) Sub-Station	3,746.06	2,337.86	3.31	807.83	2,688.18	2,584.60
c) Unified Load Despatch & Communication	251.38	178.87	(3.35)	33.82	171.44	228.34
d) Telecom	61.34	86.22	-	-	94.01	53.55
Furniture & Fixtures	-	0.32	-	0.29	0.03	-
Other office equipments	1.02	0.03	-	-	0.03	1.02
Electrical Installations	2.62	9.99	0.01	-	10.71	1.89
Construction Stores (Net of Provision)	3,452.65	4,868.10	2,953.56	-	-	5,367.19
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	3.43	1.10	-	-	2.83	1.70
ii) Difference in Exchange on foreign currency loans	12.00	2.45	-	-	-	14.45
iii) Expenditure during construction period(net) (Note 43)	1,580.32	743.60	62.22	172.62	567.45	1,521.63
	12,802.16	11,139.13	3,040.49	1,611.73	5,547.83	13,741.24
Less: Provision for unserviceable Assets	2.26	-	2.26	-	-	-
Grand Total	12,799.90	11,139.13	3,038.23	1,611.73	5,547.83	13,741.24

Note 5: Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 01 April 2021	Additions during the year	Adjustments	Transferred to Lease Receivables	Capitalised during the year	As at 31 March 2022
Land						
Development of land	7.13	-	7.13	-	-	-
Buildings						
a) Sub-Stations & Office	75.00	480.54	(2.10)	-	483.83	73.81
b) Township	166.24	38.47	36.62	-	90.18	77.91
Roads & Bridges	28.86	0.48	12.35	-	4.69	12.30
Water Supply Drainage and Sewerage	4.12	0.74	1.02	-	2.86	0.98
Plant & Equipments (including associated civil works)						
a) Transmission	8,365.62	3,561.68	-	179.16	8,221.80	3,526.34
b) Sub-Station	8,241.22	3,973.33	(1.06)	-	8,469.55	3,746.06
c) Unified Load Despatch & Communication	254.86	218.80	-	44.48	177.80	251.38
d) Telecom	130.07	166.73	60.26	-	175.20	61.34
Furniture & Fixtures	-	0.54	-	-	0.54	-
Other office equipments	0.20	2.99	-	-	2.17	1.02
Electrical Installations	2.64	0.62	0.12	-	0.52	2.62
Construction Stores (Net of Provision)	4,288.03	2,665.61	3,500.99	-	-	3,452.65
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	2.63	1.11	0.23	-	0.08	3.43
ii) Difference in Exchange on foreign currency loans	36.46	34.50	-	-	58.96	12.00
iii) Expenditure during construction period(net) (Note 43)	3,078.98	1,056.97	32.09	30.25	2,493.29	1,580.32
	24,682.06	12,203.11	3,647.65	253.89	20,181.47	12,802.16
Less: Provision for unserviceable Assets	2.26	-	-	-	-	2.26
Grand Total	24,679.80	12,203.11	3,647.65	253.89	20,181.47	12,799.90

Note 5: Capital work in progress (Contd.)

(Details of Construction stores) (At Cost)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Construction Stores		
Towers	986.62	745.55
Conductors	1,457.32	890.94
Other Line Materials	336.94	264.89
Sub-Station Equipments	2,128.35	1,162.14
High Voltage Direct Current (HVDC) Equipments	18.50	151.28
Unified Load Despatch & Communication(ULDC) Materials	242.66	144.88
Telecom Materials	176.87	60.12
Others	19.93	32.85
Total	5,367.19	3,452.65
Construction Stores include:		
i) Material in transit		
Towers	78.18	-
Conductors	128.78	-
Other Line Materials	46.72	-
Sub-Station Equipments	183.09	20.49
High Voltage Direct Current (HVDC) Equipments	0.27	-
Unified Load Despatch & Communication(ULDC) Materials	1.84	0.44
Telecom Materials	90.66	-
Total	529.54	20.93
ii) Material with Contractors		
Towers	908.44	745.55
Conductors	1,328.54	890.94
Other Line Materials	290.22	264.89
Sub-Station Equipments	1,945.26	1,141.65
High Voltage Direct Current (HVDC) Equipments	18.23	151.28
Unified Load Despatch & Communication (ULDC) Materials	240.82	144.44
Telecom Materials	86.21	60.12
Others	19.93	32.85
Total	4,837.65	3,431.72
Grand total	5,367.19	3,452.65

Further Notes:

- Materials with Contractors amounting to ₹9.73crore (Previous Year ₹1.30 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.
- Refer Note No 66 (a) for ageing of Capital Work in Progress (CWIP) & Refer Note No 66 (b) CWIP completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

Note 6: Investment Property

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023
Land (Freehold)	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2022
Land (Freehold)	0.02	-	-	0.02	-	-	-	-	-	0.02
Buildings	0.01	-	-	0.01	-	-	-	-	-	0.01
Total	0.03	-	-	0.03	-	-	-	-	-	0.03

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 during the previous year.

Note 7: Intangible assets

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023	As at 01 April 2022	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2023
Electronic Data Processing Software	79.47	8.87	0.02	-	88.32	68.90	7.50	0.02	-	76.38
Right of Way-Afforestation Expenses	2,312.68	53.31	-	-	2,365.99	630.76	117.25	-	(0.01)	748.02
Telecom Licenses	2.80	5.30	-	-	8.10	0.69	0.38	-	-	1.07
Development of 1200 KV TS*	71.86	-	-	-	71.86	41.97	7.23	-	-	49.20
Total	2,466.81	67.48	0.02	-	2,534.27	742.32	132.36	0.02	(0.01)	874.67
										1,659.60
										1,724.49

*Internally generated intangible asset

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposals during the year	Adjustment during the year	As at 31 March 2022
Electronic Data Processing Software	68.01	6.37	-	(5.09)	79.47	57.43	6.38	-	(5.09)	68.90
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
Telecom Licenses	2.80	-	-	-	2.80	0.55	0.14	-	-	0.69
Development of 1200 KV TS*	71.86	-	-	-	71.86	34.72	7.25	-	-	41.97
Total	2,221.27	230.85	-	(14.69)	2,466.81	604.32	127.25	0.39	(11.14)	742.32
										1,724.49
										1,616.95

*Internally generated intangible asset

Note 8: Intangible assets under development

(₹ in crore)

Particulars	As at 01 April 2022	Additions	Adjustments	Transferred to Lease Receivables	Capitalised during the year	As at 31 March 2023
Right of Way-Afforestation expenses	53.70	29.46	-	6.94	45.14	31.08
Total	53.70	29.46	-	6.94	45.14	31.08

Particulars	As at 01 April 2021	Additions	Adjustments	Transferred to Lease Receivables	Capitalised during the year	As at 31 March 2022
Right of Way-Afforestation expenses	157.99	45.59	0.10	-	149.78	53.70
Total	157.99	45.59	0.10	-	149.78	53.70

Further Notes:

Refer Note No 66 (c) for ageing of Intangible assets under development & Refer Note No 66 (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 2023	As at 31 March 2022
Investments in Equity Instruments (fully paid up)		
Unquoted		
Joint Venture Companies		
Torrent Power Grid Limited 23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	35.41	34.32
Parbati Koldam Transmission Company Limited 70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	84.35	80.18
Teestavalley Power Transmission Limited 120120000 (Previous Year 120120000) Equity Shares of ₹10/- each.	161.28	144.99
Powerlinks Transmission Limited 229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	474.12	477.91
North East Transmission Company Limited 106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	139.74	128.81
National High Power Test Laboratory Private Limited 30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	-	14.24
Cross Border Power Transmission Company Limited 12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	34.09	32.99
Energy Efficiency Services Limited 463610000 (Previous Year 463610000) Equity Shares of ₹10/- each (Refer further note 3 below)	292.45	423.03
Bihar Grid Company Limited 334127260 (Previous Year 322535036) Equity Shares of ₹10/- each.	479.59	512.09
Butwal-Gorakhpur Cross Border Power Transmission Limited 25000 (Previous Year Nil) Equity Shares of ₹10/- each.	0.02	-
Power Transmission Company Nepal Limited 1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	13.60	12.65
RINL POWERGRID TLT Private Limited 4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 2 below)	-	-
TOTAL	1,714.65	1,861.21

Note 9A: Investments in Joint Ventures accounted for using the equity method (Contd.)

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 (MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL was received on 11.07.2022 from MoS. However, winding up process could not be initiated, as contractor for Site Enabling works has served notice on 17-12-2022 for invocation of Arbitration. Conciliator has been appointed & conciliation proceedings are under progress.
- The Company has invested ₹ 407.49 crore during the previous 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 as the Joint control has been reinstated vide Agreement dated 01.09.2021.

Note 9: Investments

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments in Equity Instruments (fully paid up)		
Investments at Fair Value through Other Comprehensive Income (OCI)		
Quoted		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	102.06	98.69
Investment in Units of POWERGRID Infrastructure Investment Trust (PGInvIT)136500100 (Previous Year 136500100) units	1,672.40	1,827.74
Others		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)	0.00	0.00
TOTAL	1,774.46	1,926.43

Further Notes:

(₹ in crore)

1)	a) Aggregate amount of Quoted Investments		
	At Cost	1,367.04	1,377.00
	Market Value	1,774.46	1,926.43
	b) Aggregate amount of Unquoted Investments	-	-

- Investments have been valued as per accounting policy no. 2.2 & 2.14.

Note 10A: Trade receivables

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables - Unsecured		
Considered good	733.18	-
TOTAL	733.18	-

Further Notes:

Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade Receivables (Non-current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to ₹165.16 crore has been charged as Other Expense (refer note no. 40) and unwinding thereon amounting to ₹ 83.06 crore has been accounted for as Other Income (refer note no. 36)

Note 10A: Trade receivables (Contd.)

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
As at 31.03.2023									
Considered – Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	733.18	-	-	-	-	-	733.18
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Total		-	733.18	-	-	-	-	-	733.18
As at 31.03.2022									
Considered – Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

Note 10: Loans

(Considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to Related Parties *		
Loans to JVs-Unsecured		
Considered Good	-	17.48
Credit Impaired	15.02	-
	15.02	17.48
Less: Loss Allowance**	15.02	-
	-	17.48
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	-
Unsecured	-	0.03
	-	0.03
	-	17.51
Loans to Employees (including interest accrued)		
Secured #	404.22	352.86
Unsecured	42.22	36.08
	446.44	388.94
Total	446.44	406.45

Further Notes:

* Details of loans to related parties is provided in Note 57.

** refer note 63(vi) for reconciliation of allowance for impairment.

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 2023	As at 31 March 2022
Lease receivables	2,426.01	1,028.76
Bank deposits with more than 12 months maturity #	39.90	74.83
Recoverable for GOI fully serviced bonds ##	3,487.50	3,487.50
Others	0.04	0.07
TOTAL	5,953.45	4,591.16

Further Notes:

Bank deposits amounting to ₹39.56 crore (previous year ₹ 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.

Note 12: Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances for Capital Expenditure		
Unsecured		
a. Against bank guarantees	906.56	317.19
b. Others	73.21	127.71
Unsecured considered doubtful	1.19	1.19
	980.96	446.09
Less: Provision for bad & doubtful Advances	1.19	1.19
	979.77	444.90
Advances other than for Capital Expenditure		
Security Deposits	17.68	25.53
Deferred Employee Cost	44.32	36.62
Deferred Foreign currency Fluctuation Asset	4,427.75	4,268.56
Advances recoverable in kind or for value to be received		
Employees	-	0.01
Balance with Customs Port Trust and other authorities	10.76	16.65
Advance tax, Tax deducted at source and other taxes#	44.05	148.57
Others*		
Considered Good	36.92	36.82
Considered doubtful	0.37	0.37
	37.29	37.19
Less: Provision for doubtful Advances	0.37	0.37
	36.92	36.82
	91.73	202.05
TOTAL	5,561.25	4,977.66

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 2023	As at 31 March 2022
(For mode of valuation refer Note 2.11)		
Components, Spares & other spare parts	1,310.59	1,325.54
Loose tools	26.98	26.94
Consumable stores	9.44	11.56
	1,347.01	1,364.04
Less Provision for Shortages/damages etc	7.06	6.87
TOTAL	1,339.95	1,357.17

Note 14: Trade receivables

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables - Unsecured		
Considered good	12,956.04	9,181.85
Credit Impaired	296.93	300.77
	13,252.97	9,482.62
Receivable from related parties - Unsecured		
Considered good	5.31	7.48
	13,258.28	9,490.10
Less: Loss Allowance	296.93	300.77
TOTAL	12,961.35	9,189.33

Further Notes:

- Refer note no. 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' and note no. 57 for details of trade receivables from related parties.
- Trade Receivables includes Unbilled Receivables relating to transmission segment amounting to ₹ 8,558.49 Crores (Previous Year ₹ 4,662.11 Crores) out of which transmission charges for the month of March including arrear bills for previous quarters, of the financial year amounting to ₹ 7,094.28 crore (Previous Year ₹ 3,156.56 crore) billed to beneficiaries in the month of April of subsequent financial year. Trade receivable also includes non-tariff income to be passed on to DICs amounting to ₹ 2.44 crore (Previous Year ₹ 35.25 crore) is netted off against unbilled receivables as the same will be billed on net basis.
- 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 ₹ 1,922.61 crore (Previous Year ₹ 4180.23 crore). Refer note no. 60 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
As at 31.03.2023									
Considered - Good	Disputed	-	7.77	147.95	70.41	11.29	81.71	161.71	480.84
	Undisputed	8,621.36	2,787.59	707.23	261.09	74.66	19.80	8.78	12,480.51
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	0.13	-	273.78	273.91
	Undisputed	-	-	0.07	0.40	6.13	0.25	16.17	23.02
Total		8,621.36	2,795.36	855.25	331.90	92.21	101.76	460.44	13,258.28

Note 14: Trade receivables (Contd.)

(₹ 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
As at 31.03.2022									
Considered - Good	Disputed	-	118.99	564.30	108.41	119.26	66.55	78.60	1,056.11
	Undisputed	4,712.71	1,495.18	943.41	525.70	409.70	25.74	20.78	8,133.22
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	18.83	22.43
Total		4,712.71	1,614.17	1,508.27	634.67	529.84	94.47	395.97	9,490.10

- Disputed Trade receivables amounting to ₹ Nil crore (Previous Year ₹ 799.33 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 2023	As at 31 March 2022
Balance with banks-		
- In Current accounts	1,633.53	644.47
- In designated accounts (For Consultancy clients and others)	240.30	151.41
- In term deposits (with maturity less than 3 months) (including interest accrued)*	3,318.34	1,781.21
Others (Stamps and Imprest)	-	0.02
Total	5,192.17	2,577.11

Further Notes:

- * Term deposit includes ₹ 808.24 crore (Previous Year ₹ 1190.34 crore) for Consultancy clients and others.

Note 16: Bank Balances other than Cash & cash equivalents

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balance with banks*	29.91	28.64
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	2,162.50	2,442.43
Total	2,192.41	2,471.07

Further Notes:

- *Earmarked balance with Bank includes unpaid dividend.

Note 17: Loans

(Considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to Related Parties (including interest accrued)*		
Loans to Joint Venture - Unsecured		
Considered Good	-	4.26
Credit Impaired	6.72	-
	6.72	4.26

Note 17: Loans (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Less: Loss Allowance**	6.72	-
	-	4.26
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	0.01	-
Unsecured Considered good	0.08	0.08
	0.09	0.08
	0.09	4.34
Loans to Employees (including interest accrued)		
Secured #	60.63	53.22
Unsecured Considered good	46.31	41.03
	106.94	94.25
TOTAL	107.03	98.59

Further Notes:

* Details of loans to related parties is provided in Note No 57.

** refer note 63(vi) for reconciliation of allowance for impairment.

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 2023	As at 31 March 2022
Lease Receivables	220.23	81.64
Contract Assets #	828.48	5,607.74
Less: Provision for Contract Assets	-	18.92
	828.48	5,588.82
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.22
Advances to/Recoverable from Related Parties ##	3.41	1.57
Others ###		
Considered Good	1,296.52	734.18
Considered Doubtful	7.94	-
Total	1,304.46	734.18
Less: Provision for doubtful Advances	7.94	-
	1,296.52	734.18
Total	2,384.86	6,442.43

Further Notes:

Contract Assets includes ₹ 0.16 Crore (Previous Year ₹ 0.15 Crore) from related parties (refer Note 57). 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 57.

Others include:-

Note 18: Other Current Financial Assets (Contd.)

(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 2023	As at 31 March 2022
Advances other than for Capital Expenditure		
Advances recoverable in kind or for value to be received		
Contractors & Suppliers	15.46	6.10
Employees	9.11	8.25
Balance with Customs Port Trust and other authorities	28.63	34.24
Claims recoverable	18.83	15.24
	72.03	63.83
Others*		
Considered Good	157.71	160.45
Considered Doubtful	0.01	0.55
	157.72	161.00
Less: Provision for Doubtful Advances	0.01	0.55
	157.71	160.45
Total	229.74	224.28

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)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
Investments in Equity Instruments (fully paid up)				
Associate Companies				
Powergrid Kala Amb Transmission Limited				
15860000 (Previous Year 15860000) Equity Shares of ₹10 each	15.86	-	15.86	-
Powergrid Jabalpur Transmission Limited				
58996600 (Previous Year 58996600) Equity Shares of ₹10 each	59.00	-	-	59.00
Powergrid Warora Transmission Limited				
102258000 (Previous Year 102258000) Equity Shares of ₹10 each	102.26	-	-	102.26
Powergrid Parli Transmission Limited				
83746000 (Previous Year 83746000) Equity Shares of ₹10 each	83.74	-	-	83.74
TOTAL	260.86	-	15.86	245.00

Further Notes:

Refer note no. 67(A) for further details.

Note 20: Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Assets		
Deferred assets for deferred tax liability	7,831.48	8,614.91
Foreign Currency Fluctuation	2,398.86	1,182.57
Employee Benefits and Other Expense	4.10	135.76
Total	10,234.44	9,933.24

Further Notes:

Refer to note no 52 for detailed disclosure on Regulatory Deferral Account Balances.

Note 21: Equity Share capital

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Equity Share Capital		
Authorised		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	10,000.00	10,000.00
Issued, subscribed and paid up		
6,97,54,52,864 (Previous Year 6,97,54,52,864) equity shares of ₹10/-each at par fully paid up	6,975.45	6,975.45

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 2023		For the year ended 31 March 2022	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	6975452864	6,975.45	5231589648	5,231.59
Additions during the year*	-	-	1743863216	1,743.86
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	6975452864	6,975.45	6975452864	6,975.45

* During the previous 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 2023		As at 31 March 2022		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Government of India (Promoter)	3581163210	51.34	3581163210	51.34	-
Life Insurance Corporation of India	144218603	2.07	415775810	5.96	(3.89)

Note 22: Other Equity

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Reserves and Surplus		
Capital Reserve	9.88	9.88
Securities Premium	7,834.43	7,834.43
Bonds Redemption Reserve	4,168.17	5,532.80
Self Insurance Reserve	1,088.46	874.86
General Reserve	58,534.81	50,430.26
Retained Earnings	4,031.70	4,097.36
Other Reserves		
Other Comprehensive Income Reserve	371.61	492.09
Total	76,039.06	69,271.68

22.1 Capital Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	9.88	0.76
Addition during the year	-	9.12
Deduction during the year	-	-
Balance at the end of the year	9.88	9.88

Addition during the previous year is on account of reinstatement of joint venture

22.2 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	7,834.43	9,578.29
Addition during the year	-	-
Deduction during the year	-	1,743.86
Balance at the end of the year	7,834.43	7,834.43

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 previous year in accordance with provisions of the Companies Act, 2013.

22.3 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	5,532.80	7,387.97
Addition during the year	-	-
Deduction during the year	1,364.63	1,855.17
Balance at the end of the year	4,168.17	5,532.80

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.

Note 22: Other Equity (Contd.)

22.4 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	874.86	734.07
Addition during the year	318.15	301.83
Deduction during the year	104.55	161.04
Balance at the end of the year	1,088.46	874.86

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 (including considered as Lease receivables) and value of inventory except ROU Assets and assets 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.

22.5 General Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	50,430.26	43,269.22
Addition during the year	8,104.55	7,161.04
Deduction during the year	-	-
Balance at the end of the year	58,534.81	50,430.26

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 2023	As at 31 March 2022
Balance at the beginning of the year	4,097.36	3,667.03
Add: Additions		
Net Profit for the period	15,417.12	16,824.07
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	19.42	(133.81)
Transfer from Bond Redemption Reserve	1,364.63	1,855.17
Less: Appropriations		
General Reserve	8,000.00	7,000.00
Self Insurance Reserve	318.15	301.83
Interim dividend paid (refer note 61(b))	6,975.45	8,719.32
Final Dividend (refer note 61(b))	1,569.48	2,092.64
Other Adjustments	3.75	1.31
Balance at the end of the year	4,031.70	4,097.36

22.7 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	492.09	67.14
Addition/Adjustment during the year	(120.48)	424.95
Balance at the end of the year	371.61	492.09

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 2023	As at 31 March 2022
A) BONDS			
A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)			
A1.1	i)		
	Bonds of ₹10 Lakh each		
	LV Issue-7.55% Redeemable at par on 21.09.2031	1,289.07	1,289.06
	LX Issue-7.20% Redeemable at par on 09.08.2027	3,201.72	3,201.69
	LIX Issue-7.30% Redeemable at par on 19.06.2027	3,245.47	3,245.45
	XXXIX Issue-9.40% redeemable at par on 29.03.2027	1,801.34	1,801.34
	LVIII Issue-7.89% redeemable at par on 09.03.2027	2,070.09	2,070.09
	XXXVIII Issue-9.25% redeemable at par on 09.03.2027	859.93	859.93
	LVI Issue-7.36% redeemable at par on 18.10.2026	1,100.32	1,100.30
	LXII Issue-8.36% Redeemable at par in 05 (five) equal annual installments w.e.f. 07.01.2025	2,038.34	2,038.31
	XLII Issue-8.80% redeemable at par on 13.03.2023	-	1,999.08
	LVII Issue-7.20% redeemable at par on 21.12.2021	-	-
	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		
	LIV Issue-7.97% Redeemable w.e.f. 15.07.2021	2,113.43	2,113.41
	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		
	LII Issue-8.32% redeemable w.e.f. 23.12.2020	952.93	952.91
	iv)		
	Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
	LIII Issue-8.13% Redeemable w.e.f. 25.04.2020	3,224.54	3,582.07
	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		
	XLIX Issue-8.15% redeemable w.e.f. 09.03.2020	874.36	874.36
	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		
	XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020	1,309.64	1,309.62
	vii)		
	Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
	LI Issue-8.40% redeemable w.e.f. 14.09.2019	2,091.51	2,352.94
	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		
	XLVI Issue-9.30% redeemable w.e.f. 04.09.2019	3,062.77	3,062.76
	ix)		
	Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
	L Issue-8.40% redeemable w.e.f. 27.05.2019	2,090.73	2,352.06
	x)		
	Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
	XLVII Issue-8.93% redeemable w.e.f. 20.10.2018	1,601.34	1,830.10

Note 23: Borrowings (Contd.)

(₹ in crore)

	Particulars	As at 31 March 2023	As at 31 March 2022
xi)	Bonds of ₹30 Lakh each redeemable at par in 3 equal installments on 15.07.2018, 15.07.2023 and 15.07.2028 XLIV Issue-8.70% redeemable w.e.f. 15.07.2018	2,807.80	2,807.78
xii)	Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual installments XLV Issue-9.65% redeemable w.e.f. 28.02.2018 XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	1,008.00 1,670.26	1,175.99 1,948.63
xiii)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual installments. XLI Issue-8.85% redeemable w.e.f. 19.10.2016	1,231.45	1,477.73
xiv)	Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual installments XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016	1,738.74	1,956.08
xv)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual installments. XL Issue-9.30% redeemable w.e.f. 28.06.2016 XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015 XXXV Issue- 9.64% redeemable w.e.f 31.05.2015 XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014 XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014 XXXII Issue- 8.84% redeemable w.e.f 29.03.2014 XXXI Issue- 8.90% redeemable w.e.f 25.02.2014 XXX Issue- 8.80% redeemable w.e.f 29.09.2013 XXIX Issue- 9.20% redeemable w.e.f 12.03.2013 XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012 XXVII Issue- 9.47% redeemable w.e.f 31.03.2012 XXVI Issue- 9.30% redeemable w.e.f 07.03.2012 XXV Issue- 10.10% redeemable w.e.f 12.06.2011	1,783.17 681.17 705.05 906.08 765.50 172.62 344.16 405.99 108.67 205.47 - - -	2,139.80 851.46 881.31 1,208.10 1,020.66 258.93 516.24 608.99 217.34 410.94 58.76 83.78 95.95
		47,461.66	53,753.95
A2) Unsecured			
A2.1 Redeemable Domestic Bonds			
i)	Bonds of ₹10 Lakh each LXVIII Issue-6.28% redeemable at par on 11.04.2031 LXVI Issue-7.38% Redeemable at par on 12.04.2030	520.54 508.20	520.54 508.18
ii)	Bonds of ₹50 Lakhs each consisting of 5 STRPPs of ₹10.00 Lakhs each redeemable at par in 5 (Five) equal annual installments. LXI Issue-7.74% redeemable w.e.f. 12.12.2028	3,069.80	3,069.79
iii)	Bonds of ₹10 Lakh each LXIX Issue-6.05% Redeemable at par on 25.03.2027 LXVII Issue-6.85% redeemable at par on 15.04.2025	530.49 2,984.33	530.49 2,984.28
iv)	Bonds of ₹10 Lakhs each consisting of 3 STRPPs of ₹3.00 Lakhs, ₹3.00 Lakhs & ₹4.00 Lakhs redeemable at par in 3 (Three) installments on 25.10.2024, 25.10.2029 and 25.10.2034. LXIV Issue-7.49% redeemable w.e.f. 25.10.2024	2,601.52	2,601.50
v)	Bonds of ₹30 Lakhs each consisting of 3 STRPPs of ₹10.00 Lakhs each redeemable at par in 3 (Three) equal installments on 15.07.2024, 15.07.2029 and 15.07.2034 LXIII Issue-7.34% redeemable w.e.f. 15.07.2024	1,893.94	1,893.92

Note 23: Borrowings (Contd.)

(₹ in crore)

	Particulars	As at 31 March 2023	As at 31 March 2022
vi)	Bonds of ₹1 Lakhs each redeemable in 40 equal quarterly installments # LXXI Issue-7.52% redeemable w.e.f. 17.08.2023 LXXII Issue-7.56% redeemable w.e.f. 17.08.2023 LXX Issue-7.40% redeemable w.e.f. 17.05.2023	868.56 425.07 2,138.38	- - -
vii)	Bonds of ₹10 Lakh each LXV Issue-6.35% Redeemable at par on 14.04.2023	202.89	202.85
A2.2 Redeemable Foreign Currency Bonds			
	3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	-	3,843.81
		15,743.72	16,155.36
	Total (A)	63,205.38	69,909.31
B) Term loans			
From Banks			
Secured			
	Foreign Currency Loans (Guaranted by Government of India (GOI))	24,964.95	24,778.09
	Other Foreign Currency Loans	7,037.27	7,024.30
	Rupee Loans	7,821.01	9,275.02
		39,823.23	41,077.41
Unsecured			
	Foreign Currency Loans (Guaranted by GOI)	3,127.73	3,386.96
	Other Foreign Currency Loans	2,575.72	2,832.34
	Rupee Loans	20,119.43	14,941.02
		25,822.88	21,160.32
	Total (B)	65,646.11	62,237.73
	TOTAL (A to B)	128,851.49	132,147.04
	Less: Current maturities of Non Current Borrowing (refer note 28)	12,003.61	15,165.87
	Less: Interest Accrued but not due on borrowings (refer note 30)	2,956.59	2,781.77
	Total	113,891.29	114,199.40

Further Notes:

During the year, the company has securitised its cashflows from three of its subsidiaries viz. Powergrid Southern Interconnector Transmission System Limited, Powergrid Mithilanchal Transmission Limited and Powergrid NM Transmission Limited and raised total ₹ 3,412 crore in three tranches to part finance its capital expenditure in pursuance of new National Monetization Pipeline (NMP).

Details of terms of repayment and rate of interest

- 1 Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to daily 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 ₹ 408.08 Crore (Previous year ₹ 376.13 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 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

Note 23: Borrowings (Contd.)

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 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 2023	As at 31 March 2022
Deposits/Retention money from contractors and others	70.24	19.80
Govt. of India fully serviced bonds *	3,487.50	3,487.50
Dues for Capital Expenditure	6.93	15.70
Total	3,564.67	3,523.00

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.

Note 25: Provisions

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Employee Benefits		
As per last balance sheet	517.14	462.02
Additions/(adjustments) during the year	60.73	55.12
Closing Balance	577.87	517.14

Further Notes:

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note 65 for detailed disclosure related to Employee Benefit Obligations.

Note 26: Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
A. Deferred Tax Liability		
Difference in book depreciation and tax depreciation	27,361.80	26,144.82
Finance lease assets	130.60	91.48
Others	199.84	207.61
Deferred Tax Liability (A)	27,692.24	26,443.91
B. Deferred Tax Assets		
Income during Construction Period	18.87	18.26
Provisions allowable on payment basis	554.54	591.26
Advance Against Depreciation	246.96	299.92
Unused Tax Losses	665.22	765.84
MAT Credit Entitlement	15,265.10	13,268.89
Others	262.68	142.76
Deferred Tax Assets (B)	17,013.37	15,086.93
Deferred Tax Liability (Net) (A-B)	10,678.87	11,356.98

Further Notes:

Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
As at 01.04.2021	23,007.06	72.47	23.42	23,102.95
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)
As at 31.03.2022	26,144.82	91.48	207.61	26,443.91
Charged/(credited) to profit or loss	1,216.98	39.12	10.32	1,266.42
Charged/(credited) to OCI			(18.09)	(18.09)
As at 31.03.2023	27,361.80	130.60	199.84	27,692.24

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
As at 01.04.2021	17.95	514.70	353.20	9,969.02	411.46	11,266.33
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)
As at 31.03.2022	18.26	591.26	299.92	13,268.89	908.60	15,086.93
Charged/(credited) to profit or loss	0.61	(36.72)	(52.96)	1,996.21	19.30	1,926.44
As at 31.03.2023	18.87	554.54	246.96	15,265.10	927.90	17,013.37

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 31.03.2023	For the year ended 31.03.2022
Increase/ (Decrease) in Deferred Tax Liabilities	1,266.42	3,298.70
Decrease / (Increase) in Deferred Tax Assets	(1,926.44)	(3,826.96)
Amount charged/(credited) to profit or loss	(660.02)	(528.26)
Increase/ (Decrease) in Deferred Tax Liabilities	(18.09)	53.90
Amount charged/(credited) to OCI	(18.09)	53.90

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 ₹1,996.21crore (Previous Year ₹3,303.81crore). 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 31.03.2023	Expiry Date	As at 31.03.2022	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	-	31.03.2023	1,071.31	31.03.2023

Note 27: Other non-current liabilities

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers (Consultancy/Telecom services) \$	194.15	238.08
Others	6.21	4.81
Total	200.36	242.89

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 2023	As at 31 March 2022
Current maturities of long term borrowings		
Secured		
Bonds	5,191.48	6,090.23
Rupee Term Loans	1,454.00	1,454.00
Foreign Currency Loans	2,856.77	2,585.90
	9,502.25	10,130.13
Un-secured		
Bonds	508.90	3,813.41
Rupee Term Loans	1,300.00	550.00
Foreign Currency Loans	692.46	672.33
	2,501.36	5,035.74
	12,003.61	15,165.87

Note 28: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Short Term - Unsecured		
From Banks	700.00	5,300.00
Total	12,703.61	20,465.87

Further Notes:

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 4.45% to 6.70% (Previous Year from 3.75% to 3.95%) and repayable within 90 days (Previous Year 90 days to 180 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 2023	As at 31 March 2022
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	49.34	47.19
(B) total outstanding dues of creditors other than micro enterprises and small enterprises *	278.45	219.91
Total	327.79	267.10

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.

* Trade payables includes ₹ 1.15 Crore (Previous Year ₹ Nil Crore) from related parties (Refer Note No 57).

Aging of Trade Payables is as follows:

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
As at 31.03.2023						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	33.37	15.97	-	-	-	49.34
Total	33.37	15.97	-	-	-	49.34
Others						
Disputed	-	-	-	-	-	-
Undisputed	142.95	125.48	8.77	0.63	0.62	278.45
Total	142.95	125.48	8.77	0.63	0.62	278.45
Total Trade payables	176.32	141.45	8.77	0.63	0.62	327.79
As at 31.03.2022						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	12.65	34.54	-	-	-	47.19
Total	12.65	34.54	-	-	-	47.19
Others						
Disputed	-	-	-	-	-	-
Undisputed	85.79	127.20	3.31	1.19	2.42	219.91
Total	85.79	127.20	3.31	1.19	2.42	219.91
Total Trade payables	98.44	161.74	3.31	1.19	2.42	267.10

Note 30: Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings from		
Foreign Banks & Financial Institutions	473.70	86.13
Secured/Unsecured redeemable Bonds	2,482.89	2,695.64
	2,956.59	2,781.77
Interest accrued but not due from Govt. of India fully serviced bonds	36.22	36.22
Others		
Dues for capital expenditure	1,117.48	980.79
Employee related liabilities	141.87	51.29
Unclaimed dividends & FPO*	29.91	28.64
Deposits/Retention money from contractors and others	3,150.17	3,627.07
Related parties**	2.36	2.56
Others #	3,277.08	2,665.66
	7,718.87	7,356.01
Total	10,711.68	10,174.00

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 57.

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 2023	As at 31 March 2022
Advances from customers *	2,894.61	3,022.10
Advances from customers - related parties #	106.85	82.20
Statutory dues	324.64	124.15
Total	3,326.10	3,228.45

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 57

Note 32: Provisions

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
A) Employee Benefits		
i) Performance related pay /special incentive		
As per last balance sheet	438.74	509.83
Addition during the year	427.76	438.74
Amount paid/adjusted during the year	438.74	509.83
Closing Balance	427.76	438.74

Note 32: Provisions (Contd.)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
ii) Other Employee Benefits		
(Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	251.86	67.66
Additions/(adjustments) during the year	(147.00)	184.20
Closing Balance	104.86	251.86
Total (A)	532.62	690.60
B) Others		
i) Downtime Service Credit-Telecom		
As per last balance sheet	3.25	8.86
Additions during the year	8.59	3.42
Amounts adjusted during the year	10.52	9.03
Closing Balance	1.32	3.25
ii) Provision Others		
As per last balance sheet	473.27	258.77
Additions/(adjustments) during the year	9.01	214.50
Closing Balance	482.28	473.27
Total (B)	483.60	476.52
Total (A+B)	1,016.22	1,167.12

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. 65 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 ₹174.36crore (Previous Year ₹165.24crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹9.74crore (Previous Year ₹8.94crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Note 33: Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Taxation (Including interest on tax)		
As per last balance sheet	8,257.62	9,169.89
Additions during the year	3,000.80	3,173.29
Amount adjusted during the year	8,188.94	4,085.56
Total	3,069.48	8,257.62
Net off against Advance tax and TDS	3,016.72	8,248.17
Closing Balance	52.76	9.45

Note 34: Deferred Revenue

(₹ in crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance against depreciation	706.73	858.29
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	3,647.89	3,926.11
Addition during the year	1.70	22.04
Adjustments during the year	317.26	300.26
Closing balance	3,332.33	3,647.89
Deferred income from foreign currency fluctuation (Net)	6,124.46	5,008.36
TOTAL	10,163.52	9,514.54

Further Notes:

- Grant in Aid of ₹2.40crore (Previous Year ₹0.00crore) was recognised 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 ₹0.01crore (Previous Year ₹0.02crore) credited to the Grant. An amount of ₹ 6.59 crore is repayable as at the end of reporting period 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 ₹0.34crore (Previous Year ₹0.41crore) 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 ₹0.00crore (Previous Year ₹27.59crore) 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 ₹0.01crore (Previous Year ₹0.02crore) 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 ₹ 0.00 Crore (Previous Year ₹ 2.99crore) 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. An amount of ₹ 1.06 crore is repayable as at the end of reporting period to MNRE, Govt. of India (GoI) and shown under Other Current Financial Liabilities.

Note 35: Revenue from operations

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sales of services		
Transmission Business		
Transmission Charges	42,689.01	39,387.17
Add: Revenue recognised out of Advance Against Depreciation	151.56	152.46
	42,840.57	39,539.63
Other Operating Revenue		
Interest on differential Provisional and Final Tariff	1,161.34	480.78
Income from lease lines	99.39	50.61
Recognised from deferred revenue - Grant in aid	315.33	300.26
	1,576.06	831.65
	44,416.63	40,371.28
Telecom Business	728.79	580.15
Consultancy Project Management and Supervision	435.86	670.21
Total	45,581.28	41,621.64

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:
 - ₹35,516.95crore (Previous Year ₹20,433.83crore) as per final tariff orders issued by CERC for block period 2019-24 and
 - ₹5,233.61crore (Previous Year ₹17,512.26crore) 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 and out of which the company has filed petitions for ₹ 4,855.53 Crore (Previous Year ₹ 15,718.13 crore).
- Consequent to the final order issued by CERC, transmission income includes ₹1,597.30crore(increase)(Previous Year ₹628.80crore(increase)) pertaining to earlier years.
- Refer note no. 67 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- 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 2023	For the year ended 31 March 2022
Interest income from		
Indian Banks	112.34	172.21
Loans to Joint Ventures (JVs)	0.07	2.36
Investment in PG InvIT	107.70	68.52
Others*	30.98	36.99
	251.09	280.08
Interest from advances to contractors	27.68	28.06
Unwinding of discount on financial assets	83.06	-
	361.83	308.14

Note 36: Other income (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend income from		
Associates	58.82	116.75
Investment in PG InvIT	46.14	33.85
Equity Investments designated at fair value through other comprehensive income	6.96	9.00
	111.92	159.60
Others		
Profit on sale of Property, Plant and Equipment	5.98	0.02
Profit on sale of Investment in Mutual Funds	-	15.95
Finance Income from finance lease	150.80	73.12
Surcharge	181.98	375.30
FERV gain	-	0.03
Provisions written back	29.93	13.13
Fair Value gain on initial recognition of Financial liability/ investment	43.32	21.37
Miscellaneous income **	174.14	148.11
	586.15	647.03
	1,059.90	1,114.77
Less: Transferred to expenditure during construction (Net)-Note 43	35.54	38.51
TOTAL	1,024.36	1,076.26

Further Notes:

* Others include interest on employee loans & 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 2023	For the year ended 31 March 2022
Salaries, wages, allowances & benefits	2,150.47	2,095.32
Contribution to provident and other funds	341.92	269.92
Staff Welfare expenses (Including Deferred Employee cost)	275.08	271.81
	2,767.47	2,637.05
Less: Transferred to Expenditure during Construction (Net)-Note 43	249.04	383.65
Transferred to CSR expenses- Note 40	9.90	9.51
Total	2,508.53	2,243.89

Further Notes:

a) Refer note no 57 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no 65 for details of Employee Benefit Obligations.

Note 38: Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest and finance charges on financial liabilities at amortised cost		
Indian Banks & Financial Institutions	1,997.81	1,722.20
Foreign Banks and Financial Institutions	1,221.96	396.36
Secured/Unsecured redeemable Bonds	5,044.89	5,569.52
Foreign Currency Bonds	136.55	158.76
Unwinding of discount on financial liabilities	57.36	54.78
Interest - Others	0.29	4.83
Interest on Lease Liability	4.81	3.88
	8,463.67	7,910.33
Other Finance charges		
Commitment charges	-	0.03
Guarantee Fee	337.66	354.83
Others*	16.24	23.09
	353.90	377.95
Exchange differences regarded as adjustment to Borrowing Cost	1,072.04	212.65
	1,425.94	590.60
Total	9,889.61	8,500.93
Less: Transferred to Expenditure during Construction (Net)-Note 43	255.67	464.71
Total	9,633.94	8,036.22

Further Notes:

* Others includes agency fees, trustee fees, front-end fees, interest on land, tree & crop compensation etc

Note 39: Depreciation and amortisation expense

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of Property, Plant and Equipment	13,664.57	13,111.68
Amortisation of Intangible assets	132.36	127.25
Depreciation on ROU Assets	20.85	22.71
	13,817.78	13,261.64
Less: Transferred to Expenditure During Construction (Net)-Note 43	11.49	13.08
	13,806.29	13,248.56
Less: Depreciation amortised due to FERV adjustment	472.91	376.90
Charged to Statement of Profit & Loss	13,333.38	12,871.66

Note 40: Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repair & Maintenance		
Buildings	103.46	109.64
Plant & Machinery		
Sub-Stations	450.56	456.32
Transmission lines	153.73	167.07
Telecom equipments	59.37	52.55
Others	53.44	45.03
	717.10	720.97
System and Market Operation Charges	92.14	103.14
Power charges	306.39	294.37
Less: Recovery from contractors	0.44	0.89
	305.95	293.48
Expenses of Diesel Generating sets	5.72	4.91
Stores consumed	4.61	5.26
Water charges	5.33	4.34
Right of Way charges-Telecom	84.65	68.73
Patrolling Expenses-Telecom	2.01	2.27
Last Mile connectivity-Telecom	9.36	7.26
Training & Recruitment Expenses	40.51	20.03
Less:Fees for training and application	0.36	0.94
	40.15	19.09
Legal expenses	21.75	18.68
Professional charges	169.14	70.27
Consultancy expenses	82.43	76.78
Communication expenses	22.75	24.30
Inland Travelling Expenses	138.45	111.64
Foreign travel	7.05	3.46
	145.50	115.10
Tender expenses	1.16	2.23
Less: Sale of tenders	0.87	1.14
	0.29	1.09
Payments to Statutory Auditors		
Audit Fees	1.97	1.82
Tax Audit Fees	0.52	0.45
In Other Capacity	1.34	1.29
Out of pocket Expenses	0.66	0.28
	4.49	3.84
Advertisement and publicity	17.24	9.11
Printing and stationery	4.95	4.74
Books Periodicals and Journals	2.55	1.20
EDP hire and other charges	14.68	11.76
Entertainment expenses	4.52	4.13
Brokerage & Commission	2.01	1.85
Cost Audit and Physical verification Fees	1.30	1.30
Rent #	33.55	35.07

Note 40: Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
CERC petition & Other charges	91.58	89.57
Miscellaneous expenses	171.81	88.96
Horticulture Expenses	41.75	39.08
Security Expenses	341.06	313.91
Hiring of Vehicle	152.27	138.81
Insurance	142.96	138.23
Rates and taxes	48.23	51.10
License Fees to DOT	64.24	54.11
Bandwidth charges dark fibre lease charges (Telecom)	34.32	22.84
Corporate Social Responsibility (CSR) Expenses*	327.09	273.91
Transit Accomodation Expenses	41.05	38.32
Less : Income from Transit Accomodation	1.76	1.25
	39.29	37.07
Foreign Exchange Rate Variation	293.14	6.72
Fair Valuation Loss on Financial assets	165.16	-
Provisions for		
Doubtful loans, advances, debts, claims etc.	5.31	4.20
Obsolescence in Stores	3.09	-
Others**	29.25	-
	37.65	4.20
	3,848.18	2,976.82
Less:Transferred to Expenditure during Construction (Net)-Note 43	281.63	199.70
	3,566.55	2,777.12
Loss on Disposal/Write off of Property, Plant & Equipment	28.07	28.43
Total	3,594.62	2,805.55

Further Notes:

* Includes an amount of ₹ 9.90 crore (Previous Year ₹9.51crore) transferred from Note No 37- 'Employee Benefits Expense'

Refer Note 51 for Short term lease expenses.

** includes impairment allowance of ₹21.74 crore towards loan to National High Power Test Laboratory Private Limited.

Note 41: Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred assets for deferred tax liability	(783.43)	(736.52)
Foreign Currency Fluctuation	1,216.29	93.03
Employee Benefits and Other Expense	(131.66)	1.60
	301.20	(641.89)
Tax on net movement in regulatory deferral account balances	52.63	(112.15)
TOTAL	248.57	(529.74)

Further Notes:

Refer to note no 52 for detailed disclosure on Regulatory Deferral Account Balances.

Note 42: Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	(142.01)	478.85
Provisions for actuarial valuation	39.57	(196.78)
	(102.44)	282.07
Less: Transferred to Expenditure during Construction (Net)-Note 43	18.69	(34.34)
	(121.13)	316.41
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Current Tax	3.65	(28.39)
Deferred Tax	(18.09)	53.90
	(14.44)	25.51
Items that will not be reclassified to Profit or Loss (net of tax)	(106.69)	290.90

Note 43: Expenditure during Construction (Net)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	207.05	319.75
Contribution to provident and other funds	29.40	43.07
Welfare expenses	12.59	20.83
Total (A)	249.04	383.65
B. Other Expenses		
Repair and maintenance	0.31	1.11
Power charges (net of recovery from contractors)	3.87	3.88
Expenses on Diesel Generating sets	0.09	0.06
Water charges	0.10	0.08
Legal expenses	1.70	3.62
Professional charges	136.26	42.61
Consultancy expenses	77.40	75.90
Communication expenses	1.29	2.58
Travelling & Conv.exp. (Including Foreign Travel)	16.78	19.52
Tender expenses	1.38	1.08
Less: Sale of tenders	0.85	1.06
	0.53	0.02
Advertisement and Publicity	0.47	0.07
Printing and stationery	0.15	0.16
EDP hire and other charges	0.02	0.06
Entertainment expenses	0.02	0.03

Note 43: Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Brokerage and commission	0.01	0.01
Rent	0.67	0.76
Miscellaneous expenses	21.39	12.68
Security Expenses	7.58	12.80
Hiring of Vehicles	7.36	9.67
Insurance	0.06	-
Rates and taxes	4.37	12.64
Bandwidth charges, dark fibre lease charges(Telecom)	0.39	0.38
Transit Accomodation Expenses	0.81	1.08
Less : Income from Transit Accomodation	-	0.02
	0.81	1.06
Total (B)	281.63	199.70
C. Depreciation/Amortisation	11.49	13.08
Total (C)	11.49	13.08
D. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	72.79	21.86
Foreign Banks and Financial Institutions	2.46	16.82
Secured/Unsecured Redeemable Bonds	62.18	107.78
Foreign Currency Bonds	-	0.84
Others	116.45	272.75
	253.88	420.05
b) Other finance charges		
Guarantee fee	0.36	11.12
Others	0.07	0.13
	0.43	11.25
c) FERV adjustment to borrowing cost	1.36	33.41
Total (D)	255.67	464.71
E. Less: Other Income		
Interest from		
Contractors	19.16	27.16
Others	0.08	0.93
	19.24	28.09
Miscellaneous income	16.30	10.42
Total (E)	35.54	38.51
F. Less: Other Comprehensive Income		
Other Comprehensive Income	18.69	(34.34)
Total (F)	18.69	(34.34)
GRAND TOTAL (A+B+C+D-E-F)	743.60	1,056.97

44: Interest in Other Entities

1. Subsidiaries:

The Group's subsidiaries at 31.03.2023 are set out below. Unless otherwise stated, they have share capital consisting 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 as on		Principle activities
		As at 31.03.2023	As at 31.03.2022	
Powergrid Vemagiri Transmission Limited*	India	100%	100%	Transmission
Powergrid NM Transmission Limited	India	100%	100%	Transmission
Powergrid Unchahar Transmission Limited	India	100%	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	India	100%	100%	Transmission
Powergrid Varanasi Transmission System Limited	India	100%	100%	Transmission
Powergrid Jawaharpur Firozabad Transmission Limited	India	100%	100%	Transmission
Powergrid Khetri Transmission System Limited	India	100%	100%	Transmission
Powergrid Bhuj Transmission Limited	India	100%	100%	Transmission
Powergrid Bhind Guna Transmission Limited	India	100%	100%	Transmission
Powergrid Ajmer Phagi Transmission Limited	India	100%	100%	Transmission
Powergrid Fatehgarh Transmission Limited	India	100%	100%	Transmission
Powergrid Rampur Sambhal Transmission Limited	India	100%	100%	Transmission
Powergrid Meerut Simbhavali Transmission Limited	India	100%	100%	Transmission
Central Transmission Utility of India Limited	India	100%	100%	Transmission
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)	India	100%	100%	Transmission
Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	India	100%	100%	Transmission

44: Interest in Other Entities (Contd.)

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding as on		Principle activities
		As at 31.03.2023	As at 31.03.2022	
Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	India	100%	100%	Transmission
Powergrid Teleservices Limited	India	100%	100%	Telecom
Powergrid Energy Services Limited	India	100%	100%	Energy management
Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited) ¹	India	100%	NA	Transmission
Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited) ²	India	100%	NA	Transmission
Powergrid Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited) ³	India	100%	NA	Transmission
Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited) ⁴	India	100%	NA	Transmission
Powergrid ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited) ⁵	India	100%	NA	Transmission
Khavda RE Transmission Limited ⁵	India	100%	NA	Transmission
Khavda II-B Transmission Limited ⁵	India	100%	NA	Transmission
Khavda II-C Transmission Limited ⁵	India	100%	NA	Transmission
Powergrid KPS2 Transmission System Limited (Erstwhile KPS2 Transmission Limited) ⁵	India	100%	NA	Transmission
Powergrid KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited) ⁵	India	100%	NA	Transmission
Raipur Pool Dhamtari Transmission Limited ⁶	India	100%	NA	Transmission
Dharamjaigarh Transmission Limited ⁶	India	100%	NA	Transmission
Bhadla Sikar Transmission Limited ⁶	India	100%	NA	Transmission

* 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 interalia 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.

¹ 100% equity acquired from PFC Consulting Limited on 11.05.2022

² 100% equity acquired from PFC Consulting Limited on 30.05.2022

³ 100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022

⁴ 100% equity acquired from REC Power Development and Consultancy Limited on 10.10.2022

⁵ 100% equity acquired from REC Power Development and Consultancy Limited on 21.03.2023

⁶ 100% equity acquired from PFC Consulting Limited on 28.03.2023

44: Interest in Other Entities (Contd.)

i)	All Subsidiary companies are unlisted entities.	
ii)	Financial statements used for consolidation are audited except Powergrid Aligarh Sikar Transmission Limited.	
iii)	The group has made further Investment of ₹2.00crore (Previous Year ₹3.90crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the group.	
iv)	The group has made further Investment of ₹9.00crore (Previous Year ₹88.37crore) in Powergrid Medinipur Jeerat Transmission Limited which is wholly owned subsidiary company of the group.	
v)	The group has made further Investment of ₹0.00crore (Previous Year ₹19.70crore) in Powergrid Mithilanchal Transmission Limited which is wholly owned subsidiary company of the group.	
vi)	The group has made further Investment of ₹1.56crore (Previous Year ₹17.95crore) in Powergrid Varanasi Transmission System Limited which is wholly owned subsidiary company of the group.	
vii)	The group has made further Investment of ₹0.00crore (Previous Year ₹12.40crore) in Powergrid Jawaharpur Firozabad Transmission Limited which is wholly owned subsidiary company of the group.	
viii)	The group has made further Investment of ₹0.00crore (Previous Year ₹36.85crore) in Powergrid Khetri Transmission System Limited which is wholly owned subsidiary company of the group.	
ix)	The group has made further Investment of ₹52.00crore (Previous Year ₹82.29crore) in Powergrid Bhuj Transmission Limited which is wholly owned subsidiary company of the group.	
x)	The group has made further Investment of ₹21.80crore (Previous Year ₹40.10crore) in Powergrid Bhind Guna Transmission Limited which is wholly owned subsidiary company of the group.	
xi)	The group has made further Investment of ₹0.00crore (Previous Year ₹3.00crore) in Powergrid Ajmer Phagi Transmission Limited which is wholly owned subsidiary company of the group.	
xii)	The group has made further Investment of ₹0.00crore (Previous Year ₹27.59crore) in Powergrid Fatehgarh Transmission Limited which is wholly owned subsidiary company of the group.	
xiii)	The group has made further Investment of ₹33.10crore (Previous Year ₹87.48crore) in Powergrid Rampur Sambhal Transmission Limited which is wholly owned subsidiary company of the group.	
xiv)	The group has made further Investment of ₹65.42crore (Previous Year ₹97.70crore) in Powergrid Meerut Simbhavali Transmission Limited	
	which is wholly owned subsidiary company of the group.	
	xv) The group has made further Investment of ₹23.90crore (Previous Year ₹1.05crore) in Powergrid Ramgarh Transmission Limited which is wholly owned subsidiary company of the group.	
	xvi) The group has made further Investment of ₹77.79crore (Previous Year ₹22.20crore) in Powergrid Bikaner Transmission System Limited which is wholly owned subsidiary company of the group.	
	xvii) The group has made further Investment of ₹32.65crore (Previous Year ₹47.35crore) in Powergrid Sikar Transmission Limited which is wholly owned subsidiary company of the group.	
	xviii) The group has made further Investment of ₹11.90crore (Previous Year ₹20.31crore) in Powergrid Bhadla Transmission Limited which is wholly owned subsidiary company of the group.	
	xix) The group has made further Investment of ₹15.60crore (Previous Year ₹62.35crore) in Powergrid Aligarh Sikar Transmission Limited which is wholly owned subsidiary company of the group.	
	xx) The group has made further Investment of ₹0.00crore (Previous Year ₹9.00crore) in Powergrid Teleservices Limited which is wholly owned subsidiary company of the group.	
	xxi) The group has made further Investment of ₹10.00crore (Previous Year ₹0.00crore) in Powergrid Energy Services Limited which is wholly owned subsidiary company of the group.	
	xxii) During the year group has made investment of ₹0.01crore (Previous Year ₹0.00crore) in Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela 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 11.05.2022 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Narela Transmission Limited became wholly owned subsidiary of the Group.	
	xxiii) During the year group has made investment of ₹0.01crore (Previous Year ₹0.00crore) in Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalgarh 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 30.05.2022 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Gomti Yamuna Transmission Limited became wholly owned subsidiary of the Group.	
	xxiv) During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in Powergrid	

44: Interest in Other Entities (Contd.)

	Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 24.08.2022 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Neemuch Transmission System Limited became wholly owned subsidiary of the Group.	
xxv)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 10.10.2022 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid ER NER Transmission Limited became wholly owned subsidiary of the Group.	
xxvi)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in ERWR Power Transmission Limited which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 21.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer ERWR Power Transmission Limited became wholly owned subsidiary of the Group.	
xxvii)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in Khavda RE Transmission Limited which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 21.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer Khavda RE Transmission Limited became wholly owned subsidiary of the Group.	
xxviii)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in Khavda II-B Transmission Limited which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 21.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer Khavda II-B Transmission Limited became wholly owned subsidiary of the Group.	
xxix)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in Khavda II-C Transmission Limited which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 21.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer Khavda II-C Transmission Limited became wholly owned subsidiary of the Group.	
xxx)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in KPS2 Transmission Limited which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 21.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer KPS2 Transmission Limited became wholly owned subsidiary of the Group.	
xxxi)	During the year group has made investment of ₹0.05crore (Previous Year ₹0.00crore) in KPS3 Transmission Limited which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Development and Consultancy Limited vide share purchase agreement dated 21.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer KPS3 Transmission Limited became wholly owned subsidiary of the Group.	
xxxii)	During the year group has made investment of ₹0.01crore (Previous Year ₹0.00crore) in Raipur Pool Dhamtari 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 28.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer Raipur Pool Dhamtari Transmission Limited became wholly owned subsidiary of the Group.	
xxxiii)	During the year group has made investment of ₹0.01crore (Previous Year ₹0.00crore) in Dharamjaigarh 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 28.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer Dharamjaigarh Transmission Limited became wholly owned subsidiary of the Group.	
xxxiv)	During the year group has made investment of ₹0.01crore (Previous Year ₹0.00crore) in Bhadla Sikar 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 28.03.2023 to carry over the business awarded under tariff based competitive bidding, after transfer Bhadla Sikar Transmission Limited became wholly owned subsidiary of the Group.	

44: Interest in Other Entities (Contd.)

2. Joint Ventures

Set out below are joint ventures of the Group as at 31.03.2023, 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:

(₹ in crore)

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount		Nature of activity
		As at 31.03. 2023	As at 31.03. 2022	As at 31.03. 2023	As at 31.03. 2022	
Powerlinks Transmission Limited	India	49%	49%	474.12	477.91	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
Torrent Power Grid Limited	India	26%	26%	35.41	34.32	Transmission System associated with 1100 MW Sugan generating project at Surat – progressively commissioned in Mar'11
Parbati Koldam Transmission Company Limited	India	26%	26%	84.35	80.18	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. – Progressively commissioned in Nov'15
Teestavalley Power Transmission Limited ¹	India	30.92%	30.92%	161.28	144.99	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
North East Transmission Company Limited	India	26%	26%	139.74	128.81	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	To create high power short circuit test facility
Bihar Grid Company Limited	India	50%	50%	479.59	512.09	Establishment of Intra-State Transmission system in the State of Bihar
Energy Efficiency Services Limited ²	India	33.33%	33.33%	292.45	423.03	Engaged in implementation of energy efficiency projects.
Cross Border Power Transmission Company Limited ³	India	26%	26%	34.09	32.99	Establishment of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Sursand
RINL Powergrid TLT Private Limited ⁴	India	50%	50%	-	-	Establishment of manufacturing of Transmission Line Tower parts plant
Butwal-Gorakhpur Cross Border Power Transmission Limited ⁵	India	50%	NA	0.02	NA	Implementation of Indian Portion of New Butwal – Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.
Power Transmission Company Nepal Limited	Nepal	26%	26%	13.60	12.65	Establishment of Nepal Portion of Indo-Nepal Cross Border Transmission Line from Dhalkebar to Bhattamod

44: Interest in Other Entities (Contd.)

¹ 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.

² The Company has invested ₹ 407.49 crore during the previous 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.

³ 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). Presently, the proposal is under review by NCLAT.

⁴ 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(MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL was received on 11.07.2022 from MoS. However, winding up process could not be initiated, as contractor for Site Enabling works has served notice on 17-12-2022 for invocation of Arbitration. Conciliator has been appointed & conciliation proceedings are under progress.

⁵ Incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal – Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

- All joint venture companies are unlisted entities.
- Financial statements used for consolidation are unaudited except for Powerlinks Transmission Limited and North East Transmission Company Limited.
- The group has made further Investment of ₹11.59crore (Previous Year ₹32.24crore) 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 ₹Nil (Previous Year ₹407.49crore) 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.
- The group has made an investment of ₹0.03crore during the year as it is incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal – Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

Commitments and contingent liabilities in respect of joint venture:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Share of Group		
Commitment	117.56	7.98
Contingent Liabilities	211.27	50.58
Total commitments and contingent liabilities	328.83	58.56

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. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Current Assets								
Cash & Cash Equivalent	0.27	3.80	1.42	0.52	21.76	25.72	13.54	9.05
Other Assets	169.45	156.93	31.51	26.78	140.10	181.32	113.19	58.08
Total Current Assets	169.72	160.73	32.93	27.30	161.86	207.04	126.73	67.13
Total Non-Current Assets	833.08	847.80	113.20	123.83	547.52	594.17	1,283.70	1,381.35
Current Liabilities								
Financial Liabilities	12.27	11.46	4.39	13.01	153.99	204.19	108.27	114.22
Other Liabilities	13.62	12.79	3.08	3.59	0.15	0.18	43.84	43.90
Total Current Liabilities	25.89	24.25	7.47	16.60	154.14	204.37	152.11	158.12
Non- Current Liabilities								
Financial Liabilities	7.47	7.14	-	-	230.75	288.46	684.61	788.97
Other Liabilities	1.85	1.82	2.46	2.54	0.07	-	52.12	32.46
Total Non-Current Liabilities	9.32	8.96	2.46	2.54	230.82	288.46	736.73	821.43
Net Assets	967.59	975.32	136.20	131.99	324.42	308.38	521.59	468.93

(₹ 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. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Current Assets								
Cash & Cash Equivalent	28.49	43.83	7.67	2.58	235.64	129.89	521.29	724.05
Other Assets	144.64	164.54	3.41	3.16	514.78	681.36	4,781.31	4,713.42
Total Current Assets	173.13	208.37	11.08	5.74	750.42	811.25	5,302.60	5,437.47
Total Non-Current Assets	1,232.01	1,407.57	225.13	328.61	2,809.22	2,770.37	5,106.99	4,694.25
Current Liabilities								
Financial Liabilities	105.88	226.11	97.67	71.61	209.07	178.85	4,852.23	4,047.24
Other Liabilities	4.86	6.09	6.23	3.68	162.81	140.45	189.16	206.40
Total Current Liabilities	110.74	232.20	103.90	75.29	371.88	319.30	5,041.39	4,253.64
Non- Current Liabilities								
Financial Liabilities	693.80	791.25	172.03	187.05	2,056.15	2,063.97	4,436.81	4,595.02
Other Liabilities	63.15	97.08	0.38	0.80	172.43	174.18	53.94	13.83
Total Non-Current Liabilities	756.95	888.33	172.41	187.85	2,228.58	2,238.15	4,490.75	4,608.85
Net Assets	537.45	495.41	(40.10)	71.21	959.18	1,024.17	877.45	1,269.23

44: Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Butwal-Gorakhpur Cross Border Power Transmission Limited		Power Transmission Company Nepal Limited	
	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Current Assets								
Cash & Cash Equivalent	34.92	26.17	0.11	0.11	0.05	-	0.40	0.52
Other Assets	37.80	39.85	-	-	-	-	52.73	48.63
Total Current Assets	72.72	66.02	0.11	0.11	0.05	-	53.13	49.15
Total Non-Current Assets	178.99	191.81	-	-	-	-	64.76	69.71
Current Liabilities								
Financial Liabilities	14.99	15.29	1.48	1.48	0.01	-	3.41	3.90
Other Liabilities	9.59	2.50	0.01	0.01	-	-	4.26	3.34
Total Current Liabilities	24.58	17.79	1.49	1.49	0.01	-	7.67	7.24
Non- Current Liabilities								
Financial Liabilities	95.97	108.76	-	-	-	-	57.93	62.97
Other Liabilities	0.06	4.38	-	-	-	-	-	-
Total Non-Current Liabilities	96.03	113.14	-	-	-	-	57.93	62.97
Net Assets	131.10	126.90	(1.38)	(1.38)	0.04	-	52.29	48.65

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. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Opening net assets	975.32	958.43	131.99	133.33	308.38	333.06	468.93	452.83
Investment by JV Partners	-	-	-	-	-	-	-	-
Profit for the year	81.08	91.39	21.23	18.46	43.18	13.51	51.67	16.14
Other Comprehensive income	0.11	0.38	0.08	-	0.07	0.01	(0.04)	0.02
Dividend Paid	88.92	74.88	17.10	19.80	27.28	38.20	-	-
Other Adjustments	-	-	-	-	0.07	-	1.03	(0.06)
Closing net assets	967.59	975.32	136.20	131.99	324.42	308.38	521.59	468.93
Group's share in %	49%	49%	26%	26%	26%	26%	30.92%	30.92%
Group's share in INR	474.12	477.91	35.41	34.32	84.35	80.18	161.28	144.99
Carrying Amount	474.12	477.91	35.41	34.32	84.35	80.18	161.28	144.99

44: Interest in Other Entities (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. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Opening net assets	495.41	479.31	71.21	91.08	1,024.17	862.58	1,269.23	1,010.85
Investment by JV Partners	-	-	-	-	23.18	64.48	-	407.49
Profit for the year	88.62	69.57	(111.29)	(20.02)	(88.17)	143.96	(329.43)	(149.23)
Other Comprehensive income	(0.21)	0.01	-	-	-	-	6.48	0.12
Dividend Paid	69.94	53.48	-	-	-	-	-	-
Other Adjustments	23.57	-	(0.02)	0.15	-	(46.85)	(68.83)	-
Closing net assets	537.45	495.41	(40.10)	71.21	959.18	1,024.17	877.45	1,269.23
Group's share in %	26%	26%	20%	20%	50%	50%	33.33%	33%
Group's share in INR	139.74	128.81	-	14.24	479.59	512.09	292.45	423.03
Carrying Amount	139.74	128.81	-	14.24	479.59	512.09	292.45	423.03

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Butwal-Gorakhpur Cross Border Power Transmission Limited		Power Transmission Company Nepal Limited	
	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Opening net assets	126.90	115.25	(1.38)	(1.38)	-	-	48.65	45.49
Investment by JV Partners	-	-	-	-	0.05	-	-	-
Profit for the year	16.33	17.26	-	(0.01)	(0.01)	-	8.70	8.29
Other Comprehensive income	-	-	-	-	-	-	-	-
Dividend Paid	12.13	5.33	-	-	-	-	5.06	5.06
Other Adjustments	-	(0.28)	-	0.01	-	-	-	(0.07)
Closing net assets	131.10	126.90	(1.38)	(1.38)	0.04	-	52.29	48.65
Group's share in %	26%	26%	50%	50%	50%	50%	26%	26%
Group's share in INR	34.09	32.99	-	-	0.02	-	13.60	12.65
Carrying Amount	34.09	32.99	-	-	0.02	-	13.60	12.65

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. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Revenue From Operations	128.61	138.70	39.11	38.91	138.51	107.12	250.86	238.67
Other Income	10.22	5.46	1.28	1.94	4.35	7.19	3.25	2.44
Total Income	138.83	144.16	40.39	40.85	142.86	114.31	254.11	241.11

44: Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Employee benefits expense	9.69	9.46	1.45	1.88	3.18	3.16	7.49	7.93
Finance costs	0.77	0.82	0.15	1.05	28.75	38.37	63.14	126.93
Depreciation and amortization expense	0.68	0.68	16.45	16.45	49.50	49.43	88.55	88.48
Other expenses	10.30	6.93	3.08	2.91	9.32	7.19	8.88	10.59
Total Expenses	21.44	17.89	21.13	22.29	90.75	98.15	168.06	233.93
Tax Expenses	36.31	34.88	(1.97)	0.10	8.93	2.65	34.38	(8.96)
Profit for the year	81.08	91.39	21.23	18.46	43.18	13.51	51.67	16.14
Other Comprehensive income	0.11	0.38	0.08	-	0.07	0.01	(0.04)	0.02
Total Comprehensive income	81.19	91.77	21.31	18.46	43.25	13.52	51.63	16.16
Dividend Received	43.57	36.69	4.45	5.15	7.09	9.93	-	-

(₹ 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. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Revenue From Operations	278.66	309.24	20.06	14.65	174.62	452.62	2,373.39	938.76
Other Income	26.32	11.52	0.12	0.38	77.68	65.92	73.47	23.76
Total Income	304.98	320.76	20.18	15.03	252.30	518.54	2,446.86	962.52
Purchase of Stock in Trade	-	-	-	-	-	-	643.81	129.52
Employee benefits expense	8.65	6.99	2.06	1.96	19.98	14.95	183.73	35.96
Finance costs	64.62	59.92	20.96	19.18	158.50	175.85	462.88	237.10
Depreciation and amortization expense	118.15	117.38	8.61	8.51	127.40	105.38	756.06	408.91
Other expenses	13.06	12.77	99.84	5.40	36.34	29.03	790.65	355.40
Total Expenses	204.48	197.06	131.47	35.05	342.22	325.21	2,837.13	1,166.89
Tax Expenses	11.88	54.13	-	-	(1.75)	49.37	(58.53)	(55.14)
Profit for the year	88.62	69.57	(111.29)	(20.02)	(88.17)	143.96	(331.74)	(149.23)
Other Comprehensive income	(0.21)	0.01	-	-	-	-	7.42	0.12
Total Comprehensive income	88.41	69.58	(111.29)	(20.02)	(88.17)	143.96	(324.32)	(149.11)
Dividend Received	18.18	13.90	-	-	-	-	-	-

44: Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Butwal- Gorakhpur Cross Border Power Transmission Limited		Power Transmission Company Nepal Limited	
	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Revenue From Operations	7.42	7.23	-	-	-	-	16.21	16.46
Other Income	25.53	27.25	-	-	-	-	4.53	3.70
Total Income	32.95	34.48	-	-	-	-	20.74	20.16
Employee benefits expense	1.99	1.34	-	-	-	-	0.79	0.74
Finance costs	11.31	12.37	-	-	-	-	3.44	3.64
Depreciation and amortization expense	0.02	0.02	-	-	-	-	5.19	5.20
Other expenses	3.30	3.49	-	0.01	0.01	-	1.88	1.68
Total Expenses	16.62	17.22	-	0.01	0.01	-	11.30	11.26
Tax Expenses	-	-	-	-	-	-	0.74	0.61
Profit for the year	16.33	17.26	-	(0.01)	(0.01)	-	8.70	8.29
Other Comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	16.33	17.26	-	(0.01)	(0.01)	-	8.70	8.29
Dividend Received	3.15	1.39	-	-	-	-	1.32	1.32

45. Research expenditure recognised as expense in the statement of Profit and Loss during the year is ₹28.61crore (Previous Year ₹2.85crore).

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 31.03.2023	As at 31.03.2022
Transaction price related to unsatisfied (or partially satisfied) performance obligation	1,023.65	1,519.30
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 31.03.2023	For the year ended 31.03.2022
Balance at the beginning	5,607.74	2,180.59
Add: Revenue recognised during the period	1,831.98	8,301.35
Less: Invoiced/transferred to trade receivables during the period	6,592.32	4,874.20
Less: Impairment/reversal during the period	18.92	-
Balance at the end	828.48	5,607.74

c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Balance at the beginning	1,022.73	1,035.14
Add: Advance billing during the period	537.39	865.78
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	405.47	691.95
b) From contract liability recognised during the period	68.47	186.42
Add: Translation gain/(Loss)	0.40	0.18
Balance at the end	1,086.58	1,022.73

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 31.03.2023	For the year ended 31.03.2022
Contracted price	43,464.45	40,280.46
Add/ (Less)- Discounts/ rebates provided to customer	(220.77)	(171.55)
Add/ (Less)- Performance bonus	544.45	447.97
Add/ (Less)- Adjustment for significant financing component	65.53	80.65
Add/ (Less)- Other adjustments	1,727.62	984.11
Revenue recognised in profit or loss statement	45,581.28	41,621.64

48. (i) FERV Loss of ₹1,589.78crore (Previous Year FERV Loss of ₹568.13crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Intangible Assets/Lease Receivables.

(ii) FERV Loss of ₹293.14crore (Previous Year FERV Loss of ₹6.69crore) has been recognised in the Statement of Profit and Loss.

49. Borrowing cost capitalised during the year is ₹255.67crore (Previous Year ₹464.71crore) 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	49.34	47.19	23.43	5.66
	Interest	-	-	-	-
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	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
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:

51. Disclosure as per Ind AS 116 - "Leases" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Gross investment in Lease	7,038.53	2,779.60
Un-earned Finance Income	4,559.60	1,788.84
Present value of Minimum Lease Payment (MLP)	2,478.93	990.76

- (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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Not later than one year	399.91	182.67	118.47	63.14
Later than one year and not later than two years	399.92	190.58	121.94	65.22
Later than two years and not later than three years	397.44	190.35	120.81	67.55
Later than three years and not later than four years	388.42	190.11	122.10	70.14
Later than four years and not later than five years	376.65	189.87	120.59	73.02
Later than five years	5,076.19	1,836.02	1,875.02	651.69
Total	7,038.53	2,779.60	2,478.93	990.76

- (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 and credit period allowed to customers amounting to ₹167.31crore (Previous Year ₹119.64crore). 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. 63.

(iii) Short term leases:

The group, during the financial year, has incurred ₹31.53crore (Previous Year ₹32.90crore) 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 ₹4.45crore (Previous Year ₹7.09crore).

52. 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.

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 31.03.2023 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.

During the current year, CERC vide order dated 26.12.2022 has disallowed the claim amounting to ₹134.16 crore on account of pay revision (2017) which was accounted as Regulatory Deferral Account Balances. Accordingly, the company has reversed the amount shown as recoverable from the beneficiaries in the current year under the head Net Movement in Regulatory Deferral Account Balances-Income/(Expenses)(Net of Tax). An appeal against order dated 26.12.2022 has been filed before Hon'ble Appellate Tribunal for Electricity baring Appeal No. 236 of 2023. Hon'ble Appellate Tribunal has issued notice to respondents.

The cumulative amount of ₹ 4.10 crore (cumulative previous year amount of ₹1.60 crore) is recoverable on account of other expenses which are not capitalised but allowed as capital cost as per CERC Tariff Regulations and was accounted as Regulatory Deferral Account Balances. Amount of regulatory deferral account balances is on undiscounted basis.

iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

- regulatory risk on account of changes in regulations.
- 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 31.03.2023	As at 31.03.2022
A. Opening Balance	9,933.24	10,575.13
B. Addition/(deduction) during the year	418.17	(566.48)
C. Amount collected/refunded during the year	116.97	75.41
D. a) Regulated Income/(Expense) recognised in the statement of Profit and Loss (B-C)	301.20	(641.89)
E. Closing Balance (A+D)	10,234.44	9,933.24
F. Tax on Regulated Income/(Expense) recognised in the statement of Profit and Loss	52.63	(112.15)

53. 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 31.03.2023	As at 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Joint Ventures				
National High Power Test Laboratory Private Limited (fully provided for)	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	-	-	-	29.29
Total	18.40	18.40	18.40	47.69

- 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

54. 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 ₹327.09crore (Previous Year ₹273.91crore) on CSR activities.

55. 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 31.03.2023		As at 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022
	As % of consol. net assets	Amount	As % of consol. net as-sets	As % of consol. profit or loss	Amount	As % of consol. Profit or loss	As % of consol. OCI	Amount	As % of consol. OCI	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income
Parent												
Power Grid Corporation of India Limited	92.57%	76,842.79	92.65%	95.10%	14,663.05	96.99%	102.11%	(106.70)	99.93%	95.05%	14,556.35	97.04%
Subsidiaries												
Indian												
Powergrid Vernagiri Transmission Limited	(0.02%)	(19.43)	(0.03%)	0.00%	(0.02)	0.00%	0.00%	(0.01)	0.00%	-	(0.02)	0.00%
Powergrid NM Transmission Limited	0.59%	488.66	0.35%	1.44%	222.39	0.04%	0.00%	7.50	0.00%	-	222.39	0.04%
Powergrid Vizag Transmission Limited	NA	NA	NA	NA	NA	0.13%	NA	21.12	0.00%	-	NA	0.12%
Powergrid Unchahar Transmission Limited	0.03%	28.58	0.03%	0.10%	14.83	0.10%	0.00%	16.77	0.00%	-	14.83	0.10%
Powergrid Kala Amb Transmission Limited	NA	NA	NA	NA	NA	0.02%	NA	3.48	0.00%	-	NA	0.02%
Powergrid Jabalpur Transmission Limited	NA	NA	NA	NA	NA	0.08%	NA	13.03	0.00%	-	NA	0.08%
Powergrid Warora Transmission Limited	NA	NA	NA	NA	NA	0.11%	NA	18.85	0.00%	-	NA	0.11%
Powergrid Parli Transmission Limited	NA	NA	NA	NA	NA	0.11%	NA	17.89	0.00%	-	NA	0.10%
Powergrid Southern Interconnector Transmission System Limited	0.90%	751.27	0.84%	0.84%	639.80	(0.22%)	0.00%	(37.51)	0.00%	-	129.91	(0.22%)
Powergrid Medinipur Jeerat Transmission Limited	0.85%	706.53	0.91%	1.45%	692.24	1.14%	0.00%	191.62	0.00%	-	223.55	1.12%
Powergrid Mithilanchal Transmission Limited	0.30%	245.02	0.33%	0.27%	254.51	0.23%	0.00%	38.09	0.00%	-	41.11	0.22%
Powergrid Varanasi Transmission System Limited	0.24%	195.84	0.26%	0.19%	195.01	0.12%	0.00%	20.16	0.00%	-	29.15	0.12%

55. Additional Information as required under Schedule III of the Companies Act, 2013 (Contd.)

(₹ 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 31.03.2023		As at 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022
	As % of consol. net assets	Amount	As % of consol. net as-sets	As % of consol. profit or loss	Amount	As % of consol. Profit or loss	As % of consol. OCI	Amount	As % of consol. OCI	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income
Powergrid Jawaharpur Firozabad Transmission Limited	0.15%	120.57	0.13%	0.12%	18.97	0.10%	0.00%	17.12	0.00%	-	18.97	0.10%
Powergrid Khetri Transmission System Limited	0.25%	206.88	0.27%	0.17%	203.83	0.04%	0.00%	5.96	0.00%	-	26.84	0.03%
Powergrid Bhuj Transmission Limited	0.28%	234.28	0.24%	0.01%	179.97	0.00%	0.00%	(0.03)	0.00%	-	2.31	0.00%
Powergrid Bhind Guna Transmission Limited	0.14%	118.31	0.12%	0.06%	89.44	0.00%	0.00%	(0.07)	0.00%	-	9.18	0.00%
Powergrid Ajmer Phagi Transmission Limited	0.14%	118.57	0.15%	0.07%	115.57	0.01%	0.00%	0.91	0.00%	-	10.25	0.01%
Powergrid Fatehgarh Transmission Limited	0.18%	145.70	0.19%	0.08%	143.26	0.01%	0.00%	2.26	0.00%	-	12.87	0.01%
Powergrid Rampur Sambhal Transmission Limited	0.18%	147.95	0.14%	0.04%	108.06	0.00%	0.00%	(0.06)	0.00%	-	6.79	0.00%
Powergrid Meerut Simbhavali Transmission Limited	0.23%	194.94	0.17%	0.00%	129.69	(0.17)	0.00%	(0.02)	0.00%	-	(0.17)	0.00%
Central Transmission Utility of India Limited	0.03%	26.16	0.05%	0.33%	40.05	0.24%	0.00%	40.03	0.00%	-	51.11	0.23%
Powergrid Ramgarh Transmission Limited	0.03%	24.47	0.00%	0.00%	0.58	(0.01)	0.00%	(0.01)	0.00%	-	(0.01)	0.00%
Powergrid Himachal Transmission Limited	0.51%	427.00	0.55%	0.32%	422.30	0.30%	(0.01%)	51.28	(0.01%)	(0.03)	49.70	0.30%
Powergrid Bikaner Transmission System Limited	0.12%	99.68	0.03%	0.00%	22.19	(0.30)	0.00%	(0.02)	0.00%	-	(0.30)	0.00%
Powergrid Sikar Transmission Limited	0.10%	79.40	0.06%	0.00%	46.88	(0.13)	0.00%	0.12	0.00%	-	(0.13)	0.00%
Powergrid Bhadla Transmission Limited	0.04%	31.55	0.03%	0.00%	19.74	(0.09)	0.00%	0.15	0.00%	-	(0.09)	0.00%
Powergrid Aligarh Sikar Transmission Limited	0.09%	77.21	0.08%	0.00%	62.34	(0.73)	0.00%	(0.01)	0.00%	-	(0.73)	0.00%

55. Additional Information as required under Schedule III of the Companies Act, 2013 (Contd.)

(₹ 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 31.03.2023		As at 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022		For the year ended 31.03.2023		For the year ended 31.03.2022		For the year ended 31.03.2023		For the year ended 31.03.2022	
	As % of consol. net assets	Amount	As % of consol. net as-sets	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 Teleservices Limited	0.01%	8.62	0.01%	0.00%	(0.06)	0.00%	(0.32)	0.00%	-	0.00%	-	0.00%	(0.06)	0.00%	(0.32)
Powergrid Energy Services Limited	0.00%	0.66	0.00%	(0.06%)	(9.27)	0.00%	(0.07)	0.00%	-	0.00%	-	(0.06%)	(9.27)	0.00%	(0.07)
Powergrid Narela Transmission Limited	0.00%	(0.37)	NA	0.00%	(0.38)	NA	NA	0.00%	-	NA	NA	0.00%	(0.38)	NA	NA
Powergrid Gombi Yamuna Transmission Limited	0.00%	(0.76)	NA	0.00%	(0.77)	NA	NA	0.00%	-	NA	NA	(0.01%)	(0.77)	NA	NA
Powergrid Neemuch Transmission System Limited	0.00%	(0.17)	NA	0.00%	(0.22)	NA	NA	0.00%	-	NA	NA	0.00%	(0.22)	NA	NA
Powergrid ER NER Transmission Limited	0.00%	(0.38)	NA	0.00%	(0.12)	NA	NA	0.00%	-	NA	NA	0.00%	(0.12)	NA	NA
Powergrid ERWR Power Transmission Limited	0.00%	0.05	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Khavda RE Transmission Limited	0.00%	0.05	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Khavda II-B Transmission Limited	0.00%	0.05	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Khavda II-C Transmission Limited	0.00%	0.05	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Powergrid KPS2 Transmission System Limited	0.00%	0.05	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Powergrid KPS3 Transmission Limited	0.00%	0.05	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Raipur Pool Dhamtari Transmission Limited	0.00%	0.01	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Dharamjigarh Transmission Limited	0.00%	0.01	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA
Bhadla Sikar Transmission Limited	0.00%	0.01	NA	0.00%	-	NA	NA	0.00%	-	NA	NA	0.00%	-	NA	NA

55. Additional Information as required under Schedule III of the Companies Act, 2013 (Contd.)

(₹ 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 31.03.2023		As at 31.03.2022	For the year ended 31.03.2023		For the year ended 31.03.2022		For the year ended 31.03.2023		For the year ended 31.03.2022		For the year ended 31.03.2023		For the year ended 31.03.2022	
	As % of consol. net assets	Amount	As % of consol. net as-sets	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
Joint Ventures															
Indian															
Powerlinks Transmission Limited	0.57%	474.12	0.63%	0.26%	39.73	0.27%	44.78	(0.05%)	0.05	0.07%	0.19	0.26%	39.78	0.26%	44.97
Torrent Power Grid Limited	0.04%	35.41	0.05%	0.04%	5.52	0.03%	4.80	(0.02%)	0.02	0.00%	-	0.04%	5.54	0.03%	4.80
Parbati Kaldam Transmission Company Limited	0.10%	84.35	0.11%	0.07%	11.24	0.02%	3.51	(0.02%)	0.02	0.00%	-	0.07%	11.26	0.02%	3.51
Teestavalley Power Transmission Limited	0.19%	161.28	0.19%	0.11%	16.30	0.03%	4.96	0.01%	(0.01)	0.00%	0.01	0.11%	16.29	0.03%	4.97
North East Transmission Company Limited	0.17%	139.74	0.17%	0.19%	29.16	0.11%	18.09	0.05%	(0.05)	0.00%	-	0.19%	29.11	0.11%	18.09
National High Power Test Laboratory Private Limited	0.00%	-	0.02%	(0.09%)	(14.24)	(0.03%)	(3.98)	0.00%	-	0.00%	-	(0.09%)	(14.24)	(0.02%)	(3.98)
Bihar Grid Company Limited	0.58%	479.59	0.67%	(0.29%)	(44.09)	0.29%	48.56	0.00%	-	0.00%	-	(0.29%)	(44.09)	0.28%	48.56
Energy Efficiency Services Limited	0.35%	292.45	0.55%	(0.86%)	(132.74)	(0.31%)	(49.74)	(2.07%)	2.16	0.01%	0.04	(0.85%)	(130.58)	(0.28%)	(49.70)
Cross Border Power Transmission Company Limited	0.04%	34.09	0.04%	0.03%	4.25	0.03%	4.41	0.00%	-	0.00%	-	0.03%	4.25	0.03%	4.41
RINL Powergrid TLT Private Limited	0.00%	-	0.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.00%	0.02	NA	0.00%	(0.01)	NA	NA	0.00%	-	NA	NA	0.00%	(0.01)	NA	NA
Foreign															
Power Transmission Company Nepal Limited	0.02%	13.60	0.01%	0.01%	2.27	0.01%	2.14	0.00%	-	0.00%	-	0.01%	2.27	0.01%	2.14
Total	100.00%	83,014.51	100.00%	100.00%	15,417.12	100.00%	16,824.07	100.00%	(104.50)	100.00%	291.14	100.00%	15,312.62	100.00%	17,115.21

56. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2023		As at 31.03.2022	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Investments				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	102.06		98.69	
POWERGRID Infrastructure Investment Trust (136500100 units)	1,672.40		1,827.74	
Trade Receivables		13,694.53		9,189.33
Loans		553.47		505.04
Cash & cash Equivalents		5,192.17		2,577.11
Bank Balance		2,232.31		2,545.90
Other Financial Assets				
Current		2,384.86		6,442.43
Non-Current		5,913.55		4,516.33
Total Financial assets	1,774.46	29,970.89	1,926.43	25,776.14
Financial Liabilities				
Borrowings		1,29,551.49		1,37,447.04
Trade Payables		327.79		267.10
Other Financial Liabilities				
Current		7,755.09		7,392.23
Non-Current		3,564.67		3,523.00
Total financial liabilities	-	1,41,199.04	-	1,48,629.37

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
As at 31.03.2023				
Financial Assets				
Investments				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	102.06	-	-	102.06
POWERGRID Infrastructure Investment Trust (136500100 units)	1,672.40	-	-	1,672.40
Total Financial Assets	1,774.46	-	-	1,774.46

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
As at 31.03.2022				
Financial Assets				
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
Total Financial Assets	1,926.43	-	-	1,926.43

56. Fair Value Measurement (Contd.)

These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVOCI as the company believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2023		As at 31.03.2022	
		Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets					
Loans					
Loans to Joint Venture	2	-	-	21.74	18.27
Loans to employees	2	553.47	467.33	483.30	448.43
Non-current Trade receivables	2	733.18	640.72	-	-
Total Financial Assets		1,286.65	1,108.05	505.04	466.70
Financial Liabilities					
Borrowings	2	1,29,551.49	1,30,177.14	1,37,447.04	1,41,617.91
Deposits/retention money from contractors and others	2	3,600.89	3,741.03	3,559.22	3,844.04
Total financial liabilities		1,33,152.38	1,33,918.17	1,41,006.26	1,45,461.95

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 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.

57. 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. 2023	As at 31.03. 2022
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 ¹	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 ²	India	33.33%	33.33%
Cross Border Power Transmission Company Limited ³	India	26%	26%
RINL Powergrid TLT Private Limited ⁴	India	50%	50%
Butwal-Gorakhpur Cross Border Power Transmission Limited ⁵	India	50%	NA
Power Transmission Company Nepal Limited	Nepal	26%	26%

¹ 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.

² The Company has invested ₹ 407.49 crore during the previous 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.

³ 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). Presently, the proposal is under review by NCLAT.

⁴ 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(MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL was received on 11.07.2022 from MoS. However, winding up process could not be initiated, as contractor for Site Enabling works has served notice on 17-12-2022 for invocation of Arbitration. Conciliator has been appointed & conciliation proceedings are under progress.

⁵ Incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal - Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

Subsidiaries of Joint Venture

- EESL EnergyPro Assets Limited*
- EESL Energy Solutions LLC*
- Convergence Energy Services Limited

*Incorporated outside India

57. Disclosure as per Ind AS 24 – “Related Party Disclosures” (Contd.)

(b) Associates

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03. 2023	As at 31.03. 2022
Powergrid Vizag Transmission Limited ¹	India	NA	0%
Powergrid Kala Amb Transmission Limited ²	India	26%	26%
Powergrid Jabalpur Transmission Limited ²	India	26%	26%
Powergrid Warora Transmission Limited ²	India	26%	26%
Powergrid Parli Transmission Limited ²	India	26%	26%

¹ 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”

² 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 & Additional Charge of Director (Operations) from 01.06.2022 to 12.08.2022 & Additional Charge of Director (Finance) from 01.08.2022 to 21.09.2022.
Smt. Seema Gupta	Director (Operations) till 31.05.2022
Shri Vinod Kumar Singh	Director (Personnel)
Shri M. Taj Mukarrum	Director (Finance) and CFO till 31.07.2022
Shri Abhay Choudhary	Director (Projects)
Shri R. K. Tyagi	Director (Operations) from 12.08.2022
Shri G Ravisankar	Director (Finance) from 21.09.2022 & CFO from 26.09.2022

Independent Directors

Name	Designation
Shri M.N. Venkatesan	Independent Director till 10.07.2022
Shri Onkarappa K.N.	Independent Director
Shri Chetan Bansilal Kankariya	Independent Director
Shri Ram Naresh Tiwari	Independent Director

Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director from 04.01.2021 to 30.04.2022 and reappointed from 06.06.2022
Shri Ghanshyam Prasad	Government Nominee Director from 21.12.2021 to 14.07.2022
Shri Mohammad Afzal	Government Nominee Director from 11.10.2022
Shri Madhav Rajendran Raghuraj	Government Nominee Director from 05.08.2022 to 11.10.2022
Shri Pramod Kumar	CFO from 08.08.2022 to 26.09.2022
Shri Mrinal Srivastava	Company Secretary

57. Disclosure as per Ind AS 24 – “Related Party Disclosures” (Contd.)

(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.

(f) Outstanding balances with related parties:

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

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Amounts Receivable		
Loans to Joint Ventures		
National High Power Test Laboratory Private Limited (fully provided for)	18.40	18.40
Total	18.40	18.40
Interest Accrued on loan to Joint Ventures		
National High Power Test Laboratory Private Limited (fully provided for)	3.34	3.34
Total	3.34	3.34
Loans to Key Managerial Personnel	0.09	0.11
Other receivables		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.11	0.13
Torrent Power Grid Limited	0.25	0.17
Parbati Koldam Transmission Company Limited	0.39	0.38
Teestavalley Power Transmission Limited	2.86	6.55

57. Disclosure as per Ind AS 24 – “Related Party Disclosures” (Contd.)

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
North East Transmission Company Limited	0.32	-
National High Power Test Laboratory Private Limited	0.01	0.01
Bihar Grid Company Limited	0.15	0.01
Energy Efficiency Services Limited	2.82	1.12
Cross Border Power Transmission Company Limited	1.08	0.02
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.01	-
Total	8.00	8.39
<u>Associates:</u>		
Powergrid Kala Amb Transmission Limited	0.16	0.15
Powergrid Jabalpur Transmission Limited	0.09	0.09
Powergrid Warora Transmission Limited	0.33	0.28
Powergrid Parli Transmission Limited	0.30	0.29
Total	0.88	0.81
Other receivables	8.88	9.20
Advances / Amounts Payable		
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	0.05	0.04
Teestavalley Power Transmission Limited	55.37	55.93
North East Transmission Company Limited	7.18	14.93
National High Power Test Laboratory Private Limited	33.01	-
Energy Efficiency Services Limited	2.34	2.56
Cross Border Power Transmission Company Limited	11.26	11.26
<u>Associates</u>		
Powergrid Warora Transmission Limited	-	0.01
Powergrid Parli Transmission Limited	-	0.03
<u>Subsidiary of Joint Ventures:</u>		
Convergence Energy Services Limited	1.15	-
Total payables to related parties	110.36	84.76
Other Related Parties		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees Provident Fund Trust	27.26	0.21
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	0.57	0.07
Powergrid Employees Gratuity Fund Trust	(12.02)	12.70
Powergrid Employees Post-Retirement Medical Benefit Trust	12.03	(0.58)
Total	27.84	12.40

Refer note no. 60 for guarantee given on behalf of related parties.

57. Disclosure as per Ind AS 24 – “Related Party Disclosures” (Contd.)

(g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Services provided by the Company		
Consultancy Income		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.71	0.69
Teestavalley Power Transmission Limited	1.10	0.53
North East Transmission Company Limited	0.73	1.25
Bihar Grid Company Limited	1.06	1.03
Cross Border Power Transmission Company Limited	1.55	1.88
Total	5.15	5.38
<u>Associates:</u>		
Powergrid Vizag Transmission Limited	-	3.15
Powergrid Kala Amb Transmission Limited	4.58	4.66
Powergrid Jabalpur Transmission Limited	3.01	2.67
Powergrid Warora Transmission Limited	9.14	7.89
Powergrid Parli Transmission Limited	8.99	7.75
Total	25.72	26.12
Consultancy Income	30.87	31.50
Interest Income		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	0.07	1.96
Teestavalley Power Transmission Limited	-	0.40
Total	0.07	2.36
<u>Other Related Parties:</u>		
POWERGRID Infrastructure Investment Trust	107.70	68.52
Total	107.70	68.52
Interest Income	107.77	70.88
Dividend received		
<u>Associates:</u>		
Powergrid Vizag Transmission Limited	-	35.34
Powergrid Kala Amb Transmission Limited	6.66	8.25
Powergrid Jabalpur Transmission Limited	11.21	18.05
Powergrid Warora Transmission Limited	21.27	26.89
Powergrid Parli Transmission Limited	19.68	28.22
Total	58.82	116.75
<u>Other Related Parties:</u>		
POWERGRID Infrastructure Investment Trust	46.14	33.85
Total	46.14	33.85
Dividend received	104.96	150.60

57. Disclosure as per Ind AS 24 – “Related Party Disclosures” (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Other income		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.16	-
Bihar Grid Company Limited	0.21	0.09
Energy Efficiency Services Limited	1.35	1.97
Other income	1.72	2.06
Other expenses		
<u>Joint Ventures:</u>		
Energy Efficiency Services Limited	0.93	1.24
<u>Subsidiary of Joint Ventures:</u>		
Convergence Energy Services Limited	1.22	-
Total	2.15	1.24
Investments made during the year		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited	11.59	32.24
Energy Efficiency Services Limited	-	407.49
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.03	-
Total	11.62	439.73
Loans given to Key Managerial Personnel	0.31	0.09
Loans repayment received during the year		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	-	29.29
Total	-	29.29
<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
Total	-	4,993.49
Loans repayment received during the year	-	5,022.78
Loan repaid by Key Managerial Personnel	0.33	0.12
Reimbursement of Expenses		
<u>Joint Ventures:</u>		
Butwal-Gorakhpur Cross Border Power Transmission Limited	0.01	-
Total	0.01	-
<u>Associates:</u>		
Powergrid Parli Transmission Limited	0.11	-
Total	0.11	-

57. Disclosure as per Ind AS 24 – “Related Party Disclosures” (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Other Related Parties		
<u>Contribution made during the year</u>		
Powergrid Employees Provident Fund Trust	122.90	117.07
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	91.25	100.77
Powergrid Employees Gratuity Fund Trust	(14.85)	37.86
Powergrid Employees Post-Retirement Medical Benefit Trust	(8.25)	35.54
Total	191.05	291.24
<u>Transaction with POWERGRID Infrastructure Investment Trust</u>		
Units Received for transfer of Investments	-	1,365.00
Distribution of debt component	9.96	-
Amount Received on transfer of Investments including Offer For Sale	-	3,370.95
Total	9.96	4,735.95
Recovery for Deputation of Employees		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.04	-
Energy Efficiency Services Limited	3.03	0.89
Teestavalley Power Transmission Limited	0.65	0.79
North East Transmission Company Limited	0.99	0.25
Cross Border Power Transmission Company Limited	0.99	0.67
Total	5.70	2.60

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 6.35% to 10.00% repayable as per agreed terms & conditions.

(h) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Short Term Employee Benefits	5.67	5.12
Post-Employment Benefits	0.84	0.15
Long Term Employee Benefits	0.49	0.64
Total	7.00	5.91
Sitting fee	0.44	0.44

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.

58. 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. 67 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 ₹46,093.85crore (Previous Year ₹42,211.13crore) and outside India is ₹57.28crore (Previous Year ₹47.12crore).

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.

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022	31.03. 2023	31.03. 2022
Revenue:										
Revenue from Operations (including allocable other income)	44,965.81	40,976.38	446.48	682.28	738.84	599.59	-	-	46,151.13	42,258.25
Inter Segment Revenue	-	-	90.14	98.39	74.90	69.27	(165.04)	(167.66)	-	-
Net Revenue from Operations	44,965.81	40,976.38	536.62	780.67	813.74	668.86	(165.04)	(167.66)	46,151.13	42,258.25
Segment results	26,618.13	23,120.26	84.26	351.47	313.41	223.53			27,015.80	23,695.26
Exceptional Item										3,320.33
Unallocated Interest and Other Income									454.51	439.65
Unallocated Finance Costs									9,633.94	8,036.22
Profit before Tax (including movement in Regulatory Deferral Account Balances)									17,836.37	19,419.02
Add: Share of net profit of Joint ventures accounted for using equity method.									(82.12)	78.47
Profit before Tax									17,754.25	19,497.49
Provision for Taxes									2,337.13	2,673.42
Profit after Tax									15,417.12	16,824.07
Other information:										
Segment Assets	2,25,499.48	2,27,077.55	1,633.71	1,899.37	1,092.53	925.48			2,28,225.72	2,29,902.40
Unallocated Assets									21,808.97	20,780.17
Assets Classified as Held for Sale									260.86	260.86
Total Assets									2,50,295.55	2,50,943.43
Segment Liabilities	15,733.66	14,295.14	2,728.17	2,743.96	637.64	648.01			19,099.47	17,687.11
Unallocated Other Liabilities (including loans)									1,48,181.57	1,57,009.19
Liabilities directly associated with Assets Classified as Held for Sale									-	-
Total liabilities									1,67,281.04	1,74,696.30
Depreciation and Amortisation	13,226.37	12,762.38	6.09	5.75	100.92	103.53			13,333.38	12,871.66
Non-cash expenditure other than Depreciation	63.45	26.51	2.21	4.02	0.06	2.10			65.72	32.63
Capital Expenditure	7,247.76	13,952.47	2.78	3.73	130.67	199.00			7,381.21	14,155.20

59. Capital and other Commitments

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	20,384.31	7,251.68
Group's commitment towards further investment/loan in joint venture entities	712.80	116.69
Group's commitment towards further investment in other entities	-	452.05

60. 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 ₹2,945.71crore (Previous Year ₹2,780.93crore) 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 ₹2,862.48crore (Previous Year ₹1,978.49crore) 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 ₹6.71crore (Previous Year ₹5.81crore) has been estimated.

iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹452.99crore (Previous Year ₹478.21crore) 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 claims of ₹210.34crore (Previous Year ₹201.22crore), provision of ₹174.64crore (Previous Year ₹165.52crore) is made and balance of ₹35.70crore (Previous Year ₹35.70crore) 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 ₹1,528.11crore (Previous Year ₹3,720.37crore). 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 ₹967.32crore (Previous Year ₹711.04crore) which includes claim of ₹563.25crore (Previous Year ₹394.14crore) 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. 2023	As at 31.03. 2022
Powergrid Jabalpur Transmission Limited	-	2.23

60. 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 ₹18.28crore 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.

61. 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 31.03.2023	As at 31.03.2022
Total borrowings (₹ in crore)	1,26,594.90	1,34,665.27
Equity (₹ in crore)	83,014.51	76,247.13
Debt - Equity ratio	1.52	1.77

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 31.03.2023 and 31.03.2022.

b) Dividends

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Equity shares		
Final dividend for the year ended 31.03.2022 of ₹2.25 (31.03.2021 - ₹3.00) per fully paid up share	1,569.48	2,092.64
Interim dividend for the year ended 31.03.2023 of ₹10.00 (31.03.2022 - ₹12.50) per fully paid up share	6,975.45	8,719.32

61. Capital management (Contd.)

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 19 May 2023 recommended the payment of a final dividend of ₹4.75 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

62. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the group	For the year ended 31.03.2023	For the year ended 31.03.2022
Including movement in Regulatory Deferral Account Balances	22.10	24.12
Excluding movement in Regulatory Deferral Account Balances	21.75	24.88
Total basic and diluted earnings per share attributable to the equity holders of the group	22.10	24.12

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2023	For the year ended 31.03.2022
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	15,417.12	16,824.07
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	15,168.55	17,353.81
Total Earnings attributable to the equity holders of the group	15,417.12	16,824.07

(c) Weighted average number of shares used as the denominator	For the year ended 31.03.2023	For the year ended 31.03.2022
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	-	-
Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share	6975452864	6975452864

63. 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,

- Credit risk,
- Liquidity risk,
- 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

63. Financial Risk Management (Contd.)

(Operations), Director (Finance) and an independent director 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:-

(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 or deny Short Term Open Access on the defaulting entity as per Electricity (LPS & Related matter) Rules, 2022 notified by Ministry of Power.

Trade receivables consist of receivables relating to transmission services of ₹13,606.22crore (Previous Year ₹9,179.23crore), receivables relating to consultancy services of ₹134.47crore (Previous Year ₹131.07crore) and receivables relating to telecom business of ₹250.77crore (Previous Year ₹179.80crore).

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 ₹1,873.83crore (Previous Year ₹795.90crore). 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 ₹5,550.65crore (Previous Year ₹4,327.11crore). Term deposits are placed with public sector banks and have negligible credit risk.

63. Financial Risk Management (Contd.)

• 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.

(iii) Exposure to credit risk

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-Current Loans	461.46	406.45
Other non-current financial assets	5,913.55	4,516.33
Cash and cash equivalents	1,873.83	795.90
Deposits with banks and financial institutions	5,550.65	4,327.11
Current loans	113.75	98.59
Other current financial assets	1,564.32	853.61
Total	15,477.56	10,997.99
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	13,991.46	9,490.10
Contract Assets	828.48	5,607.74

(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 except as specified in this note.

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
Gross carrying amount as on 31.03.2023	8,621.36	3,528.54	434.12	214.86	47.48	67.10	1,078.00	13,991.46
Gross carrying amount as on 31.03.2022	4,712.71	1,614.17	561.39	313.23	212.43	179.94	1,896.23	9,490.10

63. 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	Contract Assets	Loan	Other Financial Assets	Total
Balance as at 01.04.2021	300.44	18.92	-	-	319.36
Impairment loss recognised/ (reversed)	0.33	-	-	-	0.33
Amounts written off	-	-	-	-	-
Balance as at 31.03.2022	300.77	18.92	-	-	319.69
Impairment loss recognised/ (reversed)	(3.84)	-	21.74	7.94	25.84
Amounts written off	-	18.92	-	-	18.92
Balance as at 31.03.2023	296.93	-	21.74	7.94	326.61

During the year, allowance for impairment amounting to ₹21.74 crore has been provided towards Loan to National High Power Test Laboratory Private Ltd. 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 31.03.2023	As at 31.03.2022
Expiring within 1 year (bank overdraft and other facilities)	9,131.01	6,332.01
Expiring beyond one year (bank loans)	-	4,080.44

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 upto 1 year (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
As at 31.03.2023				
Borrowings (including interest outflows)	21,406.98	88,030.93	60,352.50	1,69,790.41
Trade payables	327.79			327.79
<u>Other financial liabilities</u>				
Lease liabilities	8.21	28.26	129.14	165.61

63. Financial Risk Management (Contd.)

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
Others	8,011.12	1,228.45	3,788.04	13,027.61
Total	29,754.10	89,287.64	64,269.68	1,83,311.42
As at 31.03.2022				
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
Total	35,666.75	77,920.59	70,272.99	1,83,860.33

(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:

- Currency risk
- Interest rate risk
- 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Borrowings	USD	361.60	443.34	29,918.78	33,840.14
	EURO	53.68	60.86	4,877.90	5,219.35
	SEK	125.20	150.35	1,004.10	1,246.40
	JPY	2,272.71	2,290.89	1,423.40	1,438.68
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	5.16	1.30	426.94	99.23
	EURO	0.35	0.16	31.80	13.72
	SEK	1.43	0.39	11.47	3.23
	JPY	5.32	0.23	3.33	0.14
Trade Payables/deposits and retention money	USD	4.19	4.36	346.68	332.80
	EURO	1.04	3.07	94.50	263.28
	SEK	4.53	11.49	36.33	95.25
	CHF	-	0.04	-	3.33

63. Financial Risk Management (Contd.)

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in crore)	
	Currency	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Trade receivables and Bank balances	GBP	1.14	1.54	117.65	154.99
	JPY	11.57	76.79	7.25	48.22
	USD	0.05	0.07	4.08	5.27
	NPR	18.92	5.87	11.83	3.67
Amount of contracts remaining to be executed	EURO	0.01	-	0.88	-
	USD	0.96	0.43	79.43	32.82
	EURO	0.64	0.76	58.16	65.18
	SEK	-	0.57	-	4.73
	GBP	0.62	0.78	63.98	78.50

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 31.03.2023	As at 31.03.2022
Long Term Debt with floating rate of interest		
-Domestic	27,940.45	24,216.04
-Foreign	33,708.81	34,186.14
Sub Total	61,649.26	58,402.18
Long Term Debt with fixed rate of interest		
-Domestic	60,722.49	63,400.26
-Foreign	3,523.15	7,562.83
Sub Total	64,245.64	70,963.09
Total Long Term Debt	1,25,894.90	1,29,365.27
% of Floating Interest Rate Debt to Total Long Term Debt	48.97%	45.15%

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.

64. 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 31.03.2023	For the year ended 31.03.2022
Current Tax		
Current tax on profits for the year	3,018.28	3,352.29
Adjustments for current tax of prior periods	(73.76)	(38.46)
Pertaining to regulatory deferral account balances (A)	52.63	(112.15)
Total current tax expense (B)	2,997.15	3,201.68
Deferred Tax expense		
Origination and reversal of temporary differences & previously unrecognised tax credit recognised as Deferred Tax Asset this year	(660.02)	(528.26)
Total deferred tax expense /benefit (C)	(660.02)	(528.26)
Income tax expense (B+C-A)	2,284.50	2,785.57
Pertaining to regulatory deferral account balances	52.63	(112.15)
Total tax expense including tax on movement in regulatory deferral account balances	2,337.13	2,673.42

(b) Income Tax recognized in Regulatory Deferral Account Balances:

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Deferred assets for Deferred tax liability	(783.43)	(736.52)
Foreign Currency Fluctuation	1,216.29	93.03
Employee Benefits and Other Expenses	(131.66)	1.60
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	301.20	(641.89)
Current Tax on Regulatory Deferral Account Balances	52.63	(112.15)
Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)	248.57	(529.74)

(c) Income Tax recognized in other comprehensive income:

(₹ in crore)

Particulars	For the year ended 31.03.2023			For the year ended 31.03.2022		
	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	(142.01)	(18.09)	(123.92)	478.85	53.90	424.95
Net actuarial losses on defined benefit plans	39.57	6.91	32.66	(196.78)	(34.39)	(162.39)
Less: Transferred to expenditure during construction (net)	18.69	3.26	15.43	(34.34)	(6.00)	(28.34)
Other Comprehensive Income (Net of Tax)	(121.13)	(14.44)	(106.69)	316.41	25.51	290.90

64. Income Tax expense (Contd.)

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

(₹ in crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit before income tax expense including movement in Regulatory Deferral Account Balances	17,754.25	19,497.49
Tax at the Company's domestic tax rate	6,393.88	7,016.03
Tax effect of:		
Non Deductible tax items	(286.94)	(3,244.07)
Tax exempt income	(4,785.64)	(3,651.51)
Previous Years tax liability	(73.76)	(38.46)
Unabsorbed tax losses	(186.73)	(67.37)
Deferred Tax expense/(income)	(660.02)	(528.26)
Minimum alternate tax adjustments	1,936.34	3,187.06
Income tax expense	2,337.13	2,673.42

65. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2023			31 March 2022		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	82.54	521.44	603.98	69.60	462.47	532.07
Post-Retirement Medical Facility (PRMF)	45.02	660.46	705.48	28.08	630.60	658.68
Other Employee benefits /Long Service Award	1.66	21.55	23.21	1.60	20.43	22.03
Gratuity	72.31	451.17	523.48	81.08	482.90	563.98
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.25	19.12	21.37	2.59	20.50	23.09
Total employee benefit obligations	203.78	1673.74	1877.52	182.95	1616.90	1799.85

(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 ₹ 2.55 crore (up to Previous Year ₹ 5.96 crore) for the year has been made during the year based on actuarial valuation.

65. Employee Benefit Obligations (Contd.)

(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 fund and EPS scheme for the year amounting to ₹ 135.08 crore (previous year ₹ 130.81 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 last year report of actuary the provision of ₹171.06 Cr was included in OCI in previous year. During the current financial year amount ₹ 161.59 Cr has been paid to Provident Fund Trust to meet out guaranteed statutory interest rate by Provident Fund Trust, and the balance provision amount ₹ 9.47 Cr has been written back during year. Further, as per the current report of actuary, overall interest earning and cumulative surplus is more than statutory interest payment requirement. Therefore, no further provision is considered necessary. 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 2023			31 March 2022		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	669.65	2757.41	3427.06	694.61	2640.38	3334.99

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
01 April 2022	3334.99	3163.93	171.06
Service cost	123.12	-	123.12
Interest expense (income)	262.45	265.01	(2.56)
Total	385.57	265.01	120.56
Re-measurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-

65. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/Loss from change in financial assumptions	-	176.48	(176.48)
Experience (Gain)/ Losses	(6.06)	-	(6.06)
Total	(6.06)	176.48	(182.54)
Employee contributions	191.71	191.71	-
Employer contributions	-	123.12	(123.12)
Benefits payments	(479.15)	(479.15)	-
31 March 2023	3427.06	3441.10	(14.04)

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
01 April 2021	3260.32	3301.89	(41.57)
Service cost	118.36	-	118.36
Interest expense (income)	251.83	87.97	163.86
Total	370.19	87.97	282.22
Re-measurements			
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
Total	48.77	-	48.77
Employee contributions	196.46	196.46	-
Employer contributions	-	118.36	(118.36)
Benefits payments	(540.75)	(540.75)	-
31 March 2022	3334.99	3163.93	171.06

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2023	31 March 2022
Present value of funded obligations	3427.06	3334.99
Fair value of plan assets	3441.10	3163.93
Deficit/(Surplus) of funded plan	(14.04)	171.06

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
Impact of change in discount rate	-
Present value of Obligation at the end of period	3427.06
- Impact due to increase of 0.5%	(0.43)
- Impact due to decrease of 0.5%	0.46

65. Employee Benefit Obligations (Contd.)

The major categories of plan assets (PF) are as follows.

(₹ in crore)

Particulars	31 March 2023				31 March 2022			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	130.83	-	130.83	3.80%	102.83	-	102.83	3.25%
Debt instruments								
Govt/State Bonds	1898.27	-	1898.27	55.16%	1831.84	-	1831.84	57.90%
PSU and Private Bonds	1284.61	-	1284.61	37.33%	1120.02	-	1120.02	35.40%
Bank Balance	26.66	-	26.66	0.78%	73.80	-	73.80	2.33%
Other Receivables	100.73	-	100.73	2.93%	35.44	-	35.44	1.12%
Total	3441.10	-	3441.10		3163.93	-	3163.93	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 33.45 crore as on 31 March 2023 (₹ 54.03 crore as on 31 March 2022).

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
31 March 2023	669.65	307.98	530.94	1918.49	3427.06
31 March 2022	694.61	297.11	616.26	1727.01	3334.99

F. Pension

The Company has scheme of employees defined Pension Contribution & National Pension Scheme. Company contribution is paid to separate trust for Employees defined Pension Contribution. Amount of contribution paid/payable for the year is ₹ 183.09 crore (previous year ₹ 115.31 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

65. Employee Benefit Obligations (Contd.)

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
01 April 2022	563.98	553.52	10.46	23.09	-	23.09	532.07	-	532.07	658.68	658.78	(0.10)
Service cost	23.28	-	23.28	1.33	-	1.33	87.61	-	87.61	20.75	-	20.75
Interest expense (income)	39.47	39.55	(0.08)	1.61	-	1.61	37.25	-	37.25	46.11	46.07	0.04
Employee Contribution	-	-	-	-	-	-	-	-	-	-	1.05	(1.05)
Actuarial Gain/Loss	-	-	-	-	-	-	53.05	-	53.05	-	-	-
Total amount recognized in profit or loss	62.75	39.55	23.20	2.94	-	2.94	177.91	-	177.91	66.86	47.12	19.74
Re-measurements												
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	(18.78)	-	(18.78)	(0.86)	-	(0.86)	-	-	-	(32.35)	-	(32.35)
Experience (Gain)/ Losses	(5.64)	13.63	(19.27)	(3.63)	-	(3.63)	(0.01)	-	(0.01)	53.84	7.88	45.96
Total amount recognized in other comprehensive income	(24.42)	13.63	(38.05)	(4.49)	-	(4.49)	(0.01)	-	(0.01)	21.49	7.88	13.61
Employee Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	11.50	(11.50)	-	-	-	-	-	-	-	(0.66)	0.66
Benefits payments	(78.83)	(78.83)	-	(0.17)	-	(0.17)	(105.99)	-	(105.99)	(41.55)	(20.28)	(21.27)
31 March 2023	523.48	539.37	(15.89)	21.37	-	21.37	603.98	-	603.98	705.48	692.84	12.64

65. 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
01 April 2021	591.75	592.76	(1.01)	23.47	-	23.47	468.06	-	468.06	602.20	601.13	1.07
Service cost	24.04	-	24.04	1.40	-	1.40	65.64	-	65.64	19.47	-	19.47
Interest expense (income)	39.94	40.00	(0.06)	1.58	-	1.58	31.60	-	31.60	40.65	40.58	0.07
Employee Contribution	-	-	-	-	-	-	-	-	-	-	1.55	(1.55)
Actuarial Gain/Loss	-	-	-	-	-	-	56.34	-	56.34	-	-	-
Total amount recognized in profit or loss	63.98	40.00	23.98	2.98	-	2.98	153.58	-	153.58	60.12	42.13	17.99
Re-measurements												
Return on plan assets, excluding amount included in interest expense/(income)	-	0.01	(0.01)	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	(12.06)	-	(12.06)	(0.55)	-	(0.55)	-	-	-	(22.09)	-	(22.09)
Experience (Gain)/ Losses	(6.71)	(32.71)	26.00	(2.80)	-	(2.80)	0.01	-	0.01	52.49	13.79	38.70
Total amount recognized in other comprehensive income	(18.77)	(32.70)	13.93	(3.35)	-	(3.35)	0.01	-	0.01	30.40	13.79	16.61
Employee Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	26.44	(26.44)	-	-	-	-	-	-	-	35.77	(35.77)
Benefits payments	(72.98)	(72.98)	-	(0.01)	-	(0.01)	(89.58)	-	(89.58)	(34.04)	(34.04)	-
31 March 2022	563.98	553.52	10.46	23.09	-	23.09	532.07	-	532.07	658.68	658.78	(0.10)

65. Employee Benefit Obligations (Contd.)

The net disclosed above relates to funded and unfunded plans are as follows: -

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Present value of funded obligations	523.48	563.98	-	-	-	-	705.48	658.68
Fair value of plan assets	539.37	553.52	-	-	-	-	692.84	658.78
Deficit/(Surplus) of funded plan	(15.89)	10.46	-	-	-	-	12.64	(0.10)
Unfunded plans	-	-	21.37	23.09	603.98	532.07	-	-

The company expects to contribute ₹ 31.68 crore to the gratuity trust during the FY 2023-24.

(iii) Significant actuarial assumptions for Post-Employment Benefits:

Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2023	31 March 2022
Discount rate	7.40%	7.00%
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 2023	31 March 2022
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 rate %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Mortality rates for specimen ages

Age	The net disclosed above relates to funded and unfunded plans are as follows: -	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

65. Employee Benefit Obligations (Contd.)

(iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leaves	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	523.48	21.37	603.98	705.48
- Impact due to increase of 0.5%	(21.77)	(0.98)	(27.79)	(40.43)
- Impact due to decrease of 0.5%	23.75	1.06	30.11	41.86
b) Impact of change in salary increase				
Present value of Obligation at the end of period	523.48	21.37	603.98	705.48
- Impact due to increase of 0.5%	6.89	1.05	30.29	42.37
- Impact due to decrease of 0.5%	(7.57)	(0.98)	(27.97)	(39.92)

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. The methods and types of assumptions used in preparing sensitivity analysis did not change compared to previous year.

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 March 2023				31 March 2022			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	8.34	-	8.34	1.55%	4.98	-	4.98	0.90%
Debt instruments								
Govt/State Bonds	340.35	-	340.35	63.13%	326.56	-	326.56	59.02%
PSU and Private Bonds	177.97	-	177.97	33.01%	197.95	-	197.95	35.78%
Bank Balance/Other Receivable	12.46	-	12.46	2.31%	23.80	-	23.80	4.30%
Total*	539.12	-	539.12		553.29	-	553.29	

*Fair valuation as per actuarial valuation is ₹ 539.12 crore (Previous Year ₹ 553.29 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹ 30.45 Crore (Previous Year ₹ 43.38 crore).

(vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 March 2023				31 March 2022			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	3.60	-	3.60	0.52%	-	-	-	-
Debt instruments								
Govt/State Bonds	367.12	-	367.12	52.99%	344.06	-	344.06	52.23%
PSU and Private Bonds	307.16	-	307.16	44.33%	298.85	-	298.85	45.36%
Bank Balance/Other Receivable	14.96	-	14.96	2.16%	15.87	-	15.87	2.41%
Total#	692.84	-	692.84		658.78	-	658.78	

#Fair valuation as per actuarial valuation is ₹ 692.84 crore (Previous Year ₹ 658.78crore)

65. Employee Benefit Obligations (Contd.)

(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 39.48 years (Previous Year 39.61 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
31 March 2023					
Defined benefit obligation (Gratuity)	72.31	58.49	100.05	292.63	523.48
Post-employment medical benefits	45.02	48.73	161.23	450.50	705.48
ODRB	2.25	2.16	4.05	12.91	21.37
Other employee benefits (LSA)	1.66	1.44	2.99	17.22	23.31
Total	121.24	110.82	268.32	773.26	1273.64
31 March 2022					
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
Total	113.35	102.60	272.59	779.24	1267.78

66. 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
As at 31.03.2023					
Projects in progress	8,316.68	3,335.36	646.91	1,442.29	13,741.24
Projects temporarily suspended	-	-	-	-	-
Total	8,316.68	3,335.36	646.91	1,442.29	13,741.24
As at 31.03.2022					
Projects in progress	7,375.13	2,628.92	1,219.06	1,579.05	12,802.16
Projects temporarily suspended	-	-	-	-	-
Total	7,375.13	2,628.92	1,219.06	1,579.05	12,802.16

66. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

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:

For the year ended 31 March 2023:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in Progress	Transmission System for Solar Power Parks at Bhadla, Rajasthan	21.11	-	-	-	21.11
Projects in Progress	Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1GW) under Phase-II - Part-FI	96.63	-	-	-	96.63
Projects in Progress	Line bays associated with Northern Region System Strengthening Scheme-XXXVI	25.06	-	-	-	25.06
Projects in Progress	Northern Region System Strengthening-XL (NRSS-XL)	49.70	-	-	-	49.70
Projects in Progress	Scheme to control fault level in Northern Region (Phase-II)	10.94	-	-	-	10.94
Projects in Progress	Transmission System for providing connectivity to RE projects at Bikaner (PG), Fatehgarh-II & Bhadla-II	85.79	-	-	-	85.79
Projects in Progress	2 Nos. of 220 kV line bays at Saharanpur (PG)	2.73	-	-	-	2.73
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	50.60	-	-	-	50.60
Projects in Progress	Transmission system strengthening Scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II - Part B1	787.76	-	-	-	787.76
Projects in Progress	Provision of Spare ICTs in Northern Region	0.20	-	-	-	0.20
Projects in Progress	Implementation of 1X80 MVAR 765 kV Spare Reactor at Bhadla-II Sub-Station	1.54	-	-	-	1.54
Projects in Progress	Provision of 400 kV line bays at Bhiwani (PG)	18.98	-	-	-	18.98
Projects in Progress	Establishment of Fibre Optic Communication System in Northern Region under Fibre Optic Expansion Project (additional Requirement)	14.36	-	-	-	14.36
Projects in Progress	Implementation of 500 MVAR Thyristor Controlled Reactor at Kurukshetra 400 kV bus	129.75	-	-	-	129.75
Projects in Progress	Northern Region System Strengthening-XLI (NRSS-XLI)	20.07	-	-	-	20.07
Projects in Progress	Northern Region System Strengthening-XLII (NRSS-XLII)	10.06	-	-	-	10.06
Projects in Progress	One No.of 220 kV bay at Chamera Pooling Point for 2nd circuit stringing of 220 kV Karian-Chamera Pool Line	10.26	-	-	-	10.26
Projects in Progress	Reliable communication Scheme under Central Sector for Northern Region	44.29	-	-	-	44.29
Projects in Progress	System Strengthening Scheme in Northern Region-XXXVII (NRSS-XXXVII)	-	28.24	-	-	28.24

66. 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	ICTs & Bays associated with Northern Region System Strengthening Scheme - XXXVIII (NRSS-XXXVIII)	274.21	-	-	-	274.21
Projects in Progress	Construction of 2 Nos. of 400 kV Hybrid/GIS line bays at Varanasi (PG) Sub-Station	34.93	-	-	-	34.93
Projects in Progress	Implementation of 220kV Bay at Shajanhanpur (PG) 400/220kV Sub-Station	2.12	-	-	-	2.12
Projects in Progress	1x500 MVA, 400/220 kV ICT augmentation (3rd) at Sohawal (PG) under system strengthening	22.74	-	-	-	22.74
Projects in Progress	North East - Northern / Western Interconnector - I Project	1,498.19	-	-	-	1,498.19
Projects in Progress	POWERGRID works associated with North-Eastern Regional System Strengthening Scheme-V	68.33	-	-	-	68.33
Projects in Progress	North-Eastern Region Strengthening Scheme-X (NERSS-X)	46.69	-	-	-	46.69
Projects in Progress	North Eastern Region Strengthening Scheme-XII (NERSS-XII)	407.91	-	-	-	407.91
Projects in Progress	Transmission System for North Eastern Region Strengthening Scheme-XIV (NERSS-XIV)	50.39	-	-	-	50.39
Projects in Progress	POWERGRID works associated with North Eastern Region Strengthening Scheme-II, Part-B (NERSS-II-B)	87.48	-	-	-	87.48
Projects in Progress	North Eastern Region Strengthening Scheme - III (NERSS-III)	54.26	-	-	-	54.26
Projects in Progress	POWERGRID works associated with North Eastern Region Strengthening Scheme-VI	24.19	-	-	-	24.19
Projects in Progress	Provision of spare transformer & reactor in North Eastern Region	27.55	-	-	-	27.55
Projects in Progress	North-Eastern Region Strengthening Scheme-XI (NERSS-XI)	40.17	-	-	-	40.17
Projects in Progress	North Eastern Region Strengthening Scheme-XIII (NERSS-XIII)	51.16	-	-	-	51.16
Projects in Progress	Establishment of Fibre Optic Communication System under Wide Band Communication Expansion Plan in North-Eastern Region	36.73	-	-	-	36.73
Projects in Progress	Establishment of Fibre Optic Communication Scheme (Additional) under central sector for North Eastern Region	23.01	-	-	-	23.01
Projects in Progress	Replacement of Old RTUs in North Eastern Region	2.18	-	-	-	2.18
Projects in Progress	VSAT based communication system	0.21	-	-	-	0.21
Projects in Progress	POWERGRID Works associated with immediate evacuation for North Karanpura (3x660 MW) generation project of NTPC	45.99	-	-	-	45.99
Projects in Progress	Eastern Region Expansion Scheme-XXVI (ERES-XXVI)	1.68	-	-	-	1.68

66. 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 Communication System under Expansion/Up-gradation of SCADA/EMS system at SLDCs of Eastern Region (BSPTCL & DVC)	17.17	-	-	-	17.17
Projects in Progress	Communication System under Eastern Region Fibre Optic Expansion Project (Additional Requirement)	38.29	-	-	-	38.29
Projects in Progress	Eastern Region Strengthening Scheme-XVII (Part-B) [ERSS-XVII (Part-B)]	50.06	-	-	-	50.06
Projects in Progress	POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan	30.02	-	-	-	30.02
Projects in Progress	Eastern Region Strengthening Scheme-XXII	26.69	-	-	-	26.69
Projects in Progress	Establishment of Reliable Communication Scheme under central sector for Eastern Region	9.87	-	-	-	9.87
Projects in Progress	Fibre Optic Communication System in Eastern Region under expansion of Wideband Communication Network in Eastern Region	6.44	-	-	-	6.44
Projects in Progress	Phase-I Unified Real Time Dynamic State Measurement (URTDMS)	3.31	-	-	-	3.31
Projects in Progress	Western Region System Strengthening Scheme - V	467.64	-	-	-	467.64
Projects in Progress	Transmission System Associated with Mundra Ultra Mega Power Project	116.12	-	-	-	116.12
Projects in Progress	Additional system for power evacuation from generation projects pooled at Raigarh (Tarnar) Pool	83.26	-	-	-	83.26
Projects in Progress	Transmission System strengthening beyond Kolhapur for export of power from Solar & Wind Energy Zones in Southern Region - Reconductoring of Kolhapur (PG) - Kolhapur 400 kV D/C line	34.21	-	-	-	34.21
Projects in Progress	POWERGRID Works associated with Additional 400kV feed to Goa	23.39	-	-	-	23.39
Projects in Progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan	0.75	-	-	-	0.75
Projects in Progress	POWERGRID works associated with transmission system strengthening in WR associated with Khargone TPS	103.53	-	-	-	103.53
Projects in Progress	Extension works at POWERGRID substations for Interconnection of RE projects	5.53	-	-	-	5.53
Projects in Progress	Connectivity and LTA for 325MW Wind Project of M/s SBESS Projects Pvt Ltd	5.51	-	-	-	5.51
Projects in Progress	Scheme to control fault level at Indore Sub-Station	0.02	-	-	-	0.02

66. 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 Western Region under Master Communication Plan (Additional Requirement)	11.28	-	-	-	11.28
Projects in Progress	Reliable Communication Scheme under Central Sector for Western Region	11.78	-	-	-	11.78
Projects in Progress	System Strengthening-XXV in Southern Region	38.87	-	-	-	38.87
Projects in Progress	Augmentation of Transformation Capacity in Southern Region	44.11	-	-	-	44.11
Projects in Progress	Reliable Communication Scheme under Central Sector for Southern Region	39.23	-	-	-	39.23
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	39.16	-	-	-	39.16
Projects in Progress	Transmission System for evacuation of power from 2X500 MW Neyveli Lignite Corp. Ltd. TS-1 (Replacement) (NNTPS) in Neyveli, Tamil Nadu	40.55	-	-	-	40.55
Projects in Progress	Evacuation of RE in Tirunelveli and Tuticorin Wind Energy Zone (Tamil Nadu) 500 MW	33.10	-	-	-	33.10
Projects in Progress	Augmentation of transformation capacity at existing Hiriur and Kochi Sub-Stations	34.59	-	-	-	34.59
Projects in Progress	Implementation of 1 No. of 230 kV bay at Tuticorin-II GIS PS	4.65	-	-	-	4.65
Projects in Progress	Fibre Optic Communication System for Central Sector Sub-Stations & generating stations in Southern Region	0.83	-	-	-	0.83
Projects in Progress	OPGW Project (1517 km)-Telecom	1.99	-	-	-	1.99
Projects in Progress	Pkg-U,V,W,X,I-I-2 & I-3 -Telecom	30.00	-	-	-	30.00
Projects in Progress	Pkg-M-I,M-2 & M-3 - Telecom	13.82	-	-	-	13.82
Projects in Progress	Package-Z - Telecom	0.69	-	-	-	0.69
Projects in Progress	Network for NTAMC - Telecom	7.19	-	-	-	7.19
Projects in progress	RTM 765 kV Spare Reactor	7.03	-	-	-	7.03
Projects in progress	RTM Scheme to bypass NGR	0.99	-	-	-	0.99
Projects in progress	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase II-Part A	258.40	-	-	-	258.40

66. 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	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II - Part C	938.41	-	-	-	938.41
Projects in progress	Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase II - Part B	514.33	-	-	-	514.33
Projects in progress	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase II - Part F	1,268.88	-	-	-	1,268.88
Projects in progress	Rajasthan Phase-II Part-D	941.41	-	-	-	941.41
Projects in progress	Construction of 765/400/220 kV GIS substation in Meerut and 400/220/132 kV GIS substation in Simbhaoli with associated transmission lines	997.86	-	-	-	997.86

For the year ended 31 March 2022:

(₹ 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
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - II, Part-B (NERSS-II-B)	83.27	-	-	-	83.27

66. 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	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
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

66. 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
Projects in progress	Implementation of 500 MVAR Thyristor Controlled Reactor at Kurukshetra 400 kV bus	92.80	-	-	-	92.80

66. 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	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 Thiruvalam 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-AI	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
Projects in progress	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat	1,027.88	-	-	-	1,027.88
Projects in progress	ERSS XVIII-400 kv D/C Jeerat Subhasgram TL	381.80	-	-	-	381.80

66. 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	Construction of 765/400/220 kV GIS Substation Rampur and 400/220/132 KV GIS substation Sambhal with 400KV Transmission Line	592.11	-	-	-	592.11

c) Aging of Intangible assets under development is as follows:

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
As at 31.03.2023					
Projects in progress	0.18	24.66	-	6.24	31.08
Projects temporarily suspended	-	-	-	-	-
Total	0.18	24.66	-	6.24	31.08
As at 31.03.2022					
Projects in progress	32.23	15.20	0.03	6.24	53.70
Projects temporarily suspended	-	-	-	-	-
Total	32.23	15.20	0.03	6.24	53.70

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:

For the year ended 31 March 2023:

(₹ 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	24.66	-	-	-	24.66
Projects in Progress	Western Region System Strengthening Scheme - V	6.24	-	-	-	6.24

For the year ended 31 March 2022:

(₹ 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 ₹ 7,200 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.

66. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

h) Relationship with Struck off Companies:

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2023	Balance outstanding as at 31.03.2022	Relationship with the Struck off company
Ace Consultants Pvt. Ltd.	Payables	0.00	0.00	Not a related party
Ankita Enterprise & Infrastructure Private Limited	Payables	0.00	-	Not a related party
Baur Instruments (India) Private Limited	Payables	NA	0.00	Not a related party
Beautex Advertising Media Private Limited	Payables	0.03	0.03	Not a related party
Braintech Infra Private Limited	Payables	0.00	0.01	Not a related party
Cyberian Infomercials India Private Limi Ted	Payables	0.00	-	Not a related party
Das Enterprises Private Limited	Payables	0.00	-	Not a related party
Deligent Networks Private Limited	Payables	0.01	-	Not a related party
Eric Media Private Limited	Payables	0.00	-	Not a related party
Fortune Marketing Private Limited	Payables	0.00	-	Not a related party
Hindusthan Vidyut Products Limit	Payables	NA	0.01	Not a related party
Hvac Systems Private Limited	Payables	0.00	-	Not a related party
Imperial Foundation Pvt Ltd	Payables	NA	0.21	Not a related party
J K Paper Sacks Pvt. Ltd	Payables	0.00	-	Not a related party
Jai Ambey Trading Private Limited	Payables	NA	0.01	Not a related party
Jason Communication Private Limited	Payables	0.00	-	Not a related party
Matrix Telecom Solutions Private Limited	Payables	0.00	-	Not a related party
Mittsoo Solutions Private Limited	Payables	0.00	-	Not a related party
Modern Trading Private Limited	Payables	0.00	-	Not a related party
Monarch Electronics Private Limited	Payables	0.00	-	Not a related party
Om Industries Pvt Ltd	Payables	0.00	-	Not a related party
Om Services And Cargo Private Limited	Payables	0.00	-	Not a related party
Orient Cargo Movers Private Limited	Payables	0.00	-	Not a related party
Quality Research Services Private Limited	Payables	0.00	0.00	Not a related party
Raj Cable Network Private Limited	Payables	0.00	-	Not a related party
Rana Enterprises India Private Limited	Payables	0.00	-	Not a related party
Sharma Communications Private Limited	Payables	0.00	-	Not a related party
Siddharam Infrastructure Private Limited	Payables	0.04	0.04	Not a related party
Sigma Security Services Private Limited	Payables	0.01	0.01	Not a related party
Synergy Telecommunications Private Limited	Payables	0.16	0.16	Not a related party
Techsoul Energy Private Limited	Payables	NA	0.00	Not a related party
Tgn Networks Private Limited	Payables	0.00	-	Not a related party
United Enterprises Private Limited	Payables	0.00	-	Not a related party
Visaag Technologies Private Limited	Payables	0.00	0.00	Not a related party
Vishal Constructions Private Limited	Payables	0.22	-	Not a related party

66. 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 31.03.2023	Balance outstanding as at 31.03.2022	Relationship with the Struck off company
Yumiko Global Infra Tech Private Limited	Payables	0.11	0.10	Not a related party
Arctos Telecom Private Limited (Opc)	Receivables	0.08	0.08	Not a related party
Beamon Technologies Private Limited	Receivables	0.04	-	Not a related party
Expeditive Infotech Private Limited	Receivables	0.08	0.11	Not a related party
Glan Solution India Private Limited	Receivables	0.03	0.03	Not a related party
Roofers Media Private Limited	Receivables	0.02	0.02	Not a related party
Shubhra Communications Private Limited	Receivables	0.04	0.04	Not a related party
Vaishali Computech Private Limited	Receivables	0.00	-	Not a related party
Viscom Media Private Limited	Receivables	0.02	0.02	Not a related party
Yash Techno Media Private Limited	Receivables	0.06	0.06	Not a related party
Anjal Impex Pvt. Ltd	Shares held by struck off company	0.00	-	Not a related party
Century Marbles & Granites Pvt Ltd	Shares held by struck off company	0.01	-	Not a related party
Isairis Trading Private Limited	Shares held by struck off company	0.00	0.00	Not a related party
J V A Enterprises Private Ltd.	Shares held by struck off company	NA	0.00	Not a related party
J.B. And Brothers Private Limited	Shares held by struck off company	0.00	-	Not a related party
Kothari Intergroup Ltd.	Shares held by struck off company	0.00	0.00	Not a related party
Unickon Fincap Private Limited	Shares held by struck off company	0.02	-	Not a related party
Vaishak Shares Limited	Shares held by struck off company	0.00	0.00	Not a related party
Vitalink Wealth Advisory Services Private Limited	Shares held by struck off company	0.00	0.00	Not a related party
Zenith Insurance Services Pvt Ltd	Shares held by struck off company	NA	0.00	Not a related party

- 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.
- 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.
- 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.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

67. Other Notes

A. Exceptional Items:

- a) During the previous year, the Company has monetised five (05) of its Subsidiaries through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). The 74% shares in the above five SPVs was transferred to PGInvIT in May 2021 and balance 26% shares of PVTI was transferred in March 2022. The balance 26% of remaining SPVs will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale". The Profit on said transactions (net of related expenses) has been disclosed under "Exceptional items" in previous year.
- b) In previous year ended 31 March 2022, one of the Group entities 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 and denied time extension. The Group entity has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. The matter is sub-judice. However, a provision for the amount of ₹ 234.55 crore towards LD for time overrun was 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 of previous year. The Group entity has deposited an amount of ₹110.04crore with the LTTCs on 28.03.2023 in exchange for bank guarantees issued earlier.

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. CERC vide order dated 17 May 2023 accorded its approval to undertake existing Telecommunications and Digital Technology business through Powergrid Teleservices Limited. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities.

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. Recent Pronouncements

On 31.03.2023, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 applicable from 01.04.2023. The Company will assess and implement the amendments to Division II in the FY 2023-24, as applicable.

68. 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	G Ravisankar Director (Finance)	K. Sreekanth Chairman & Managing Director
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As per our report of even date

For S. RAMANAND AIYAR & CO Chartered Accountants FRN : 000990N	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 R. Balasubramanian Partner M. No. 080432	CA Rakesh Bhanu Amara Partner M. No. 228411	CA Sanjay Sarkar Partner M. No. 064305	CA Satish Chandra Sharma Partner M. No. 072846

Date: 19 May 2023

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 2023, 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 2023, 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.

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 2023. 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	Recognition of Revenue from Transmission Income 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. 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. (Refer Note No. 35(b)(ii) Consolidated Financial Statement)	Our audit approach involved: 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. - Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission. - Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars. - 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. Based on the above procedure performed, the recognition and measurement of revenue from transmission of power is considered to be adequate and reasonable.
2	Deferred Tax Assets relating to MAT credit entitlement 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. 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. (Refer Note No.26 of Consolidated financial statements.)	- Our audit approach involved: - Reviewing the current status of availability of MAT credits. - Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts. - 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. 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 to be adequate and reasonable.
3	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. 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. We identified the above area as Key Audit Matter in view of associated uncertainty relating to the outcome of these matter. (Refer Note No. 60 of Consolidated financial statements).	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: - Reviewing the current status and material development of legal matters. - Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon. - 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. Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.

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 and Sustainability 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 2023, 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	-	(19.43)	-	-
2	Powergrid NM Transmission Limited	1,356.50	488.66	365.08	(1.18)
3	Powergrid Southern Interconnector Transmission System Limited	3,557.59	751.27	481.05	(21.76)
4	Powergrid Unchahar Transmission Limited	65.04	28.58	28.75	0.54
5	Powergrid Medinipur Jeerat Transmission Limited	3,358.01	706.53	589.62	14.79
6	Powergrid Mithilanchal Transmission Limited	1,219.92	245.02	177.51	(2.10)
7	Powergrid Varanasi Transmission System Limited	967.71	195.84	122.11	(3.48)

(₹ in crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
8	Powergrid Jawaharpur Firozabad Transmission Limited	515.95	120.57	59.16	(8.64)
9	Powergrid Khetri Transmission System Limited	1,003.06	206.88	130.84	(1.38)
10	Powergrid Bhuj Transmission Limited	1,186.31	234.28	66.11	0.47
11	Powergrid Bhind Guna Transmission Limited	575.25	118.31	32.77	1.06
12	Powergrid Ajmer Phagi Transmission Limited	585.85	118.57	66.16	(1.83)
13	Powergrid Fatehgarh Transmission Limited	675.30	145.70	77.72	0.01
14	Powergrid Rampur Sambhal Transmission Limited	807.59	147.95	21.09	(0.11)
15	Powergrid Meerut Simbhavali Transmission Limited	1,070.46	194.94	0.05	0.05
16	Central Transmission Utility of India Limited	2,464.64	26.16	71.63	943.09
17	Powergrid Ramgarh Transmission Limited	281.47	24.47	0.01	0.04
18	Powergrid Himachal Transmission Limited	446.60	427.00	134.77	5.76
19	Powergrid Bikaner Transmission System Limited	1,284.00	99.68	0.02	0.01
20	Powergrid Sikar Transmission Limited	1,007.93	79.40	0.02	(0.15)
21	Powergrid Bhadla Transmission Limited	541.73	31.55	-	0.07
22	Powergrid Teleservices Limited	8.97	8.62	0.19	0.11
23	Powergrid Energy Services Limited	52.74	0.66	0.03	0.05
24	Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited) ¹	565.21	(0.37)	-	0.41
25	Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited) ²	548.16	(0.76)	0.05	0.09
26	Powergrid Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited) ³	288.11	(0.17)	-	0.05
27	Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited) ⁴	14.86	(0.38)	-	0.14
28	Powergrid ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited) ⁵	6.90	0.05	-	0.03
29	Khavda RE Transmission Limited ⁵	54.22	0.05	-	0.02
30	Khavda II-B Transmission Limited ⁵	77.34	0.05	-	0.02
31	Khavda II-C Transmission Limited ⁵	156.93	0.05	-	0.01
32	Powergrid KPS2 Transmission system Limited(Erstwhile KPS2 Transmission Limited) ⁵	38.19	0.05	-	0.01
33	Powergrid KPS3 Transmission Limited (Erstwhile KPS2 Transmission Limited) ⁵	12.77	0.05	-	0.01
34	Raipur Pool Dhamtari Transmission Limited ⁶	7.41	0.01	-	0.01
35	Dharamjaigarh Transmission Limited ⁶	6.87	0.01	-	0.01
36	Bhadla Sikar Transmission Limited ⁶	104.04	0.01	-	-
	Total	24913.63	4379.86	2424.74	926.23

¹100% equity acquired from PFC Consulting Limited on 11.05.2022

²100% equity acquired from PFC Consulting Limited on 30.05.2022

³100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022

⁴100% equity acquired from REC Power Development and Consultancy Limited on 10.10.2022

⁵100% equity acquired from REC Power Development and Consultancy Limited on 21.03.2023

⁶100% equity acquired from PFC Consulting Limited on 28.03.2023

The consolidated financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2023 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 Venture	Group's share in net Profit/(loss) (including Other Comprehensive Income)
1	Powerlinks Transmission Limited	39.78
2	North East Transmission Company Limited	29.15
	Total	68.93

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 18 May 2023 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 2023, 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 Aligarh Sikar Transmission Limited	946.04	77.21	0.03	0.02
	Total	946.04	77.21	0.03	0.02

The consolidated financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2023 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 in net Profit/(loss) (including Other Comprehensive Income)
1	Torrent Power Grid Limited	5.57
2	Parbati Koldam Transmission Company Limited	11.26
3	Teestavalley Power Transmission Limited	16.35
4	National High Power Test Laboratory Private Limited	(14.24)
5	Bihar Grid Company Limited	(43.95)
6	Energy Efficiency Services Limited ¹	(130.43)
7	Cross Border Power Transmission Company Limited	4.32
8	Butwal-Gorakhpur Cross Border Power Transmission Limited ²	(0.01)
9	RINL Powergrid TLT Private Limited ³	-
10	Power Transmission Company Nepal Limited ⁴	2.27
	Total	(148.86)

¹ includes subsidiaries of Joint Venture

² Joint venture from 31.08.2022.

³ The Holding company's Board of directors has accorded in-principle approval for closure of the JV company.

⁴ 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

- 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:
 - 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.
 - 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.
 - 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.
 - 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.
 - 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 2 (Two) joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.
 - 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.
 - 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 2 (Two) joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2023 has been paid / provided to their directors in accordance with the provisions of section 197 read with Schedule V to the Act
 - 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 60 to the consolidated financial statements) and the joint venture companies (Refer Note 44.2 to the consolidated financial statements).
 - 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
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
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:

S. No.	Name of the Company	Subsidiary/ Joint Venture
1.	Powergrid Aligarh Sikar Transmission Limited	Subsidiary
2.	Torrent Power Grid Limited	Joint Venture
3.	Parbati Koldam Transmission Company Limited	Joint Venture
4.	Teestavalley Power Transmission Limited	Joint Venture
5.	National High Power Test Laboratory Private Limited	Joint Venture

S. No.	Name of the Company	Subsidiary/ Joint Venture
6.	Bihar Grid Company Limited	Joint Venture
7.	Energy Efficiency Services Limited	Joint Venture
8.	Cross Border Power Transmission Company Limited	Joint Venture
9.	RINL Powergrid TLT Private Limited	Joint Venture
10.	Butwal-Gorakhpur Cross Border Power Transmission Limited	Joint Venture
11.	Power Transmission Company Nepal Limited	Joint Venture

For **S. RAMANAND AIYAR & CO.**
Chartered Accountants
FRN : 000990N

R. Balasubramanian
Partner
M. No. 080432
UDIN: 23080432BGWPJU1801

For **B M CHATRATH & CO LLP**
Chartered Accountants
FRN : 301011E/E300025

Sanjay Sarkar
Partner
M. No. 064305
UDIN: 23064305BGQJSP2181

For **UMAMAHESWARA RAO & CO**
Chartered Accountants
FRN : 004453S

Rakesh Bhanu Amara
Partner
M. No. 228411
UDIN: 23228411BGXSZW3523

For **PSD & ASSOCIATES**
Chartered Accountants
FRN : 004501C

Satish Chandra Sharma
Partner
M. No. 072846
UDIN 23072846BGYVZU9322

Date: 19 May 2023

Place: Gurugram

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 2023.

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 2023, 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 2023.

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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- 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
- 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 2023, 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 36 (Thirty Six) subsidiary companies and 2 (Two) 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 **S. RAMANAND AIYAR & CO.**
Chartered Accountants
FRN : 000990N

R. Balasubramanian
Partner
M. No. 080432
UDIN: 23080432BGWPJU1801

For **B M CHATRATH & CO LLP**
Chartered Accountants
FRN : 301011E/E300025

Sanjay Sarkar
Partner
M. No. 064305
UDIN: 23064305BGQJSP2181

Date: 19 May 2023
Place: Gurugram

For **UMAMAHESWARA RAO & CO**
Chartered Accountants
FRN : 004453S

Rakesh Bhanu Amara
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For **PSD & ASSOCIATES**
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Satish Chandra Sharma
Partner
M. No. 072846
UDIN 23072846BGYVZU9322



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POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016, India

Corporate Office: 'Saudamini', Plot No.: 2, Sector 29, Gurugram - 122 001, (Haryana) India

CIN : L40101DL1989GOI038121 | www.powergrid.in

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