

POWERGRID AJMER PHAGI TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40101DL2019GOI347423)

ANNUAL REPORT (2021-22)

POWERGRID AJMER PHAGI TRANSMISSION LIMITED

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

CIN: U40101DL2019GOI347423

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, I am delighted to present Third Annual Report of POWERGRID Ajmer Phagi Transmission Limited on the working of the Company together with Audited Financial Statement and Auditor's Report for the financial year ended 31st March, 2022.

1. State of the Company's Affairs

POWERGRID Ajmer Phagi Transmission Limited (PAPTL) was acquired by POWERGRID on 3rd October, 2019 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for implementing Transmission system for Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ. The Company was granted transmission license by CERC on 4th March, 2020. The transmission system was commissioned on 6th May, 2021.

The Scope of Transmission Project includes Ajmer (PG) – Phagi (RVPN) 765kV D/C line; 2 nos. of 765kV line bays (AIS) at Ajmer (PG) S/s for Ajmer (PG) –Phagi (RVPN) 765kV D/c line; 01 no of 765kV bay (AIS) & 01 complete GIS DIA 765kV (2 main Breakers & 1 Tie Breaker) at Phagi S/S for Ajmer (PG) – Phagi (RVPN) 765kV D/c line; 3 x 80 MVAR 765kV bus reactor with GIS bay (2 main bay of new DIA being created for termination of 765kV D/c line from Ajmer) at Phagi S/s along with 1X80 spare MVAR, 765kV reactor (Spare).

2. Financial Performance

(Rs. in Lakh)

| Particulars | 2021-22 | 2020-21 |
|---------------------------------|----------------|---------------|
| Revenue from Operations | 4781.93 | - |
| Other Income | 13.31 | - |
| Total Income | 4795.24 | - |
| Expenses | 4671.51 | 1.65 |
| Profit / Loss before Tax | 123.73 | (1.65) |
| Profit / Loss after Tax | 90.70 | (1.23) |
| Earnings Per Equity Share (Rs.) | 0.794 | (0.006) |

3. Transfer to Reserves

Out of Net profits of Rs.90.70 Lakh in current Financial Year, the Company has transferred an amount of Rs. 56.53 Lakh to Self Insurance Reserve.

4. Dividend

Your Directors have not recommended any dividend on the equity shares for the financial year 2021-22.

5. Share Capital

The Authorised and Paid-up Share Capital of the Company as on 31st March, 2022 were Rs. 125 Crore and Rs. 115 Crore respectively.

Change in Share Capital during the year

| Particulars | No. of Shares | Amount (Rs.) |
|--|----------------------|----------------------|
| Paid-up Share Capital as on 31 st March, 2021 (Equity Shares of par value Rs. 10/- each) | 11,20,00,000 | 112,00,00,000 |
| Issued and subscribed during the year | 30,00,000 | 3,00,00,000 |
| Paid-up Share Capital as on 31st March, 2022 (Equity Shares of par value Rs. 10/- each) | 11,50,00,000 | 115,00,00,000 |

6. Deposits

Your Company has not accepted any deposit during the financial year 2021-22.

7. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Your Company has not given any loans, provided any guarantee or security to any other entity.

8. Particulars of contracts or arrangements with related parties

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

9. Material Changes & Commitments

There has 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.

10. Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any subsidiaries, joint ventures and associate companies.

11. Directors' Responsibility Statement

As required under section 134(3)(c) & 134(5) of the Companies Act, your Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Board of Directors and Key Managerial Personnel

As on 31st March, 2022, the Board comprised five Directors viz. Shri Sunil Agrawal, Shri Ashok Kumar Singhal, Shri R. Rajagopalan, Dr. Sunita Chohan and Shri Ashok Kumar Behera.

During the financial year 2021-22, the following changes took place in the composition of the Board of Directors of the Company:

- a. Dr. Sunita Chohan has been appointed as Additional Director of the Company w.e.f. 2nd November 2021.
- b. Shri Awadhesh Kumar Mishra ceased to be Director of the Company w.e.f. 29th March, 2022.
- c. Shri Ashok Kumar Behera has been appointed as Additional Director w.e.f. 31st March, 2022.

The following changes took place during the current financial year 2022-23 till date:

- a. Shri R. Rajagopalan ceased to be Director of the Company w.e.f. 30th April, 2022.
- b. Shri Deepti Kanta Biswal has been appointed as Additional Director on w.e.f. 8th June 2022.

The Board places on record its appreciation for the valuable contribution, guidance and support given by Shri Awadhesh Kumar Mishra during his tenure as Director of the Company.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Dr. Sunita Chohan, Shri Ashok Kumar Behera and Shri Deepti Kanta Biswal as Directors, liable to retire by rotation, in this Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013, Shri Ashok Kumar Singhal shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

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

Pursuant to provisions of Section 203 of Companies Act, 2013 read with Rules made thereunder:

- a. Shri Vishweshwara Sampath Kumar is Chief Financial Officer (CFO) & KMP of your Company
- b. Ms. Priyapreet Kaur has been appointed as Company Secretary & KMP of your Company w.e.f. 11th January, 2022.

13. Number of Board meetings during the year

During the financial year 2021-22, Five (5) meetings of Board of Directors were held on (i) 7th June, 2021, (ii) 17th September, 2021, (iii) 11th January, 2022, (iv) 3rd February, 2022 and (v) 23rd March, 2022. The details of number of meetings attended by each Director during the financial year are as under:

| Name of Directors | Designation | No. of Board Meetings entitled to attend | No. of Board Meetings attended |
|---|----------------------|---|---------------------------------------|
| Shri Sunil Agrawal | Chairman (Part-time) | 5 | 5 |
| Shri A.K. Mishra (Ceased w.e.f. 29.03.2022) | Director | 5 | 1 |
| Shri A. K. Singhal | Director | 5 | 5 |
| Shri R. Rajagopalan (Ceased w.e.f. 30.04.2022) | Director | 5 | 4 |
| Dr. Sunita Chohan (w.e.f. 02.11.2021) | Additional Director | 3 | 3 |
| Shri A. K. Behera (w.e.f. 31.03.2022) | Additional Director | 0 | 0 |

14. Committees of the Board

Audit Committee and Nomination & Remuneration Committee

The provisions of Section 177 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

15. Board Evaluation

As per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provision related to evaluation of performance of Board, its committees and individual directors under section 178(2) of the Companies Act, 2013 is exempt for Government Companies.

16. Declaration by Independent Directors

As per the provisions of Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, your Company, being a wholly owned subsidiary of POWERGRID, is exempted from appointment of Independent Directors.

17. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder were not applicable to the Company during financial year 2021-22.

18. Compliance with Secretarial Standards

Your Company has complied with the applicable Secretarial Standards during the financial year 2021-22.

19. Secretarial Audit

Ms Sunita Mathur, Practicing Company Secretary, has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2022. The Secretarial Audit report is placed at **Annexure – II** to this report. The Secretarial Auditor has given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

20. Maintenance of Cost Records of the Company

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to your Company during financial year 2021-22.

21. Internal Financial Control Systems and their adequacy

Your Company has in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively during financial year 2021-22.

22. Statutory Audit

M/s Bahl Chandhoke, Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2021-22.

The Statutory Auditors have given an unqualified report on the Financial Statements for the financial year ended 31st March, 2022. The report is self-explanatory and does not require any further comments by the Board.

23. Comments of Comptroller and Auditor General of India

Comptroller and Auditor General of India (C&AG) has informed that they have decided not to conduct supplementary audit under Section 143(6) of the Companies Act, 2013 of Financial Statements for the financial year ended 31st March, 2022. Copy of letter dated 11th July, 2022 received from C&AG is placed at **Annexure-III** to this report.

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

The Statutory Auditors of the Company have not reported any frauds under section 143(12) of the Companies Act, 2013.

25. Development & Implementation of Risk Management Policy.

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

26. Annual Return of the Company

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

27. Particulars of Employees

As per Notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 and corresponding rules are exempted for Government Companies.

28. Details of Significant and Material Orders passed by the regulators, courts, tribunals impacting the going concern status and company's operation in future

No significant and material orders have been passed by any authority during the financial year 2021-22 impacting the going concern status and Company's operation in future.

29. Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

There is no Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 for financial year 2021-22.

30. Prevention of Sexual Harassment at Workplace

The holding company (POWERGRID) has Internal Complaints Committee (ICC) in place to redress complaints regarding sexual harassment.

31. Acknowledgement

The Board of Directors extend its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India and the Auditors of the Company.

For and on behalf of
POWERGRID Ajmer Phagi Transmission Limited

Date: 1st August, 2022
Place: Gurgaon

Sd/-
(Sunil Agarwal)
Chairman
DIN: 09048015

POWERGRID AJMER PHAGI TRANSMISSION LIMITED**Form No. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| Sl. No. | Particulars | Details |
|---------|---|---------|
| a. | Name (s) of the related party & nature of relationship | - |
| b. | Nature of contracts/arrangements/transaction | - |
| c. | Duration of the contracts/arrangements/transaction | - |
| d. | Salient terms of the contracts or arrangements or transaction including the value, if any | - |
| e. | Justification for entering into such contracts or arrangements or transactions' | - |
| f. | Date of approval by the Board | - |
| g. | Amount paid as advances, if any | - |
| h. | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | - |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| Sl. No. | Particulars | Details |
|---------|---|--|
| a. | Name(s) of the related party & nature of relationship | Power Grid Corporation of India Limited (POWERGRID) [holding company w.e.f. 03.10.2019]. |
| b. | Nature of contracts/arrangements/transaction | Part (A) to avail all inputs and services as may be required by the Company from POWERGRID (Holding Company) @ 2% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable. Part (B) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate |

| | | |
|----|---|---|
| | | loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs 506 crore from POWERGRID. |
| c. | Duration of the contracts/arrangements/transaction | Part (A) Commissioning of the project including associated reconciliation activities. Part (B) As mutually agreed. |
| d. | Salient terms of the contracts or arrangements or transaction including the value, if any | Refer (B) |
| e. | Date of approval by the Board | For Part (A) 03.10.2019 For Part (B) 05.11.2019 |
| f. | Amount paid as advances, if any | - |

For and on behalf of
POWERGRID Ajmer Phagi Transmission Limited

Date: 1st August, 2022
Place: Gurgaon

Sd/-
(Sunil Agarwal)
Chairman
DIN: 09048015



Sunita Mathur
Practicing Company Secretary

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022
[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
POWERGRID AJMER PHAGI TRANSMISSION LIMITED
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016

*I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERGRID AJMER PHAGI TRANSMISSION LIMITED [CIN: U40101DL2019GOI347423]** (hereinafter called the "Company") having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016. It is wholly owned subsidiary company of POWER GRID CORPORATION OF INDIA LIMITED (a Government of India Enterprise). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on, March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2022 according to the provisions of The Companies Act, 2013 (the Act) and the Rules made thereunder.

As confirmed and certified by the management, following law is specifically applicable to the Company based on the Sectors /Businesses viz:

- The Electricity Act, 2003 and Rules and Regulations made thereunder.

Being Electricity Transmission Company, the Electricity Act, 2003 is specifically applicable to the Company in respect of which, we have only verified the license and terms thereof issued by Central Electricity Regulatory Commission dated 04th March, 2020 which is valid for a period of 25 years. Further, we have relied upon the representation made by the Management with respect to compliance of the terms of the Electricity Transmission License.

I have also examined compliance with the applicable Clauses/Regulations of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review and as confirmed by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

The Board of Directors is duly constituted with proper balance of Directors. 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.



The Company is a wholly owned subsidiary of POWER GRID CORPORATION OF INDIA LIMITED (a Government of India Enterprise). Hence the Company is exempted from applicability of Section 177 and section 178 of the Companies Act, 2013 read with Rule 4(1) and 4(2) of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 5th July, 2017 and 13th July 2017. Being Government Company, provisions of Section 203 of the Companies Act, 2013 shall not apply with respect to appointment of Managing Director, Chief Executive officer or Manager and in their absence a whole time Director of the Company vide Ministry of Corporate Affairs Notification dated 5th June, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions were carried unanimously during the period under review.

I further report that according to the information and explanation given to us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that During the period under review

1. The 2nd Annual General Meeting for the FY2020-21 was held on 17.09.2021 with a shorter notice after obtaining the written consent for the same from all the shareholders of the Company.
2. Dr. Sunita Chohan (DIN:09384685) and Mr. Ashok Kumar Behera (DIN: 09554733) were appointed as Additional Directors by circular resolution w.e.f. 02.11.2021 and 31.03.2022 respectively.
3. Shri A. K. Mishra (DIN: 09054314) resigned as Director of the Company w.e.f. 29.03.2022.
4. Ms. Priyapreet Kaur was appointed as Company secretary w.e.f. 11.01.2022
5. Company has allotted 30,00,000 Equity shares of Rs.10/- each on right share basis to POWER GRID CORPORATION OF INDIA LIMITED (Holding Company) on 23.03.2022

Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc. 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 test basis. Our Certificate 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

Place: NOIDA
Date: 18/07/2022

SUNITA Digitally signed by
SUNITA MATHUR
Date: 2022.07.18
11:59:04 +05'30'
MATHUR
Sunita Mathur
Company Secretary in Practice
FCS No. 1743 / C P No.: 741
ICSI UDIN: F001743D000638588
PR: 1297/2021

*Disclaimer Note: The Audit for this "MR 3" has been undertaken to the best of my capability based on of e-verification of scans, soft copies, information, confirmations, records and documents made available to us by the management.

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.



Annexure-A

To
The Members
POWERGRID AJMER PHAGI TRANSMISSION LIMITED
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. 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 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.

Place: NOIDA
Date: 18/07/2022

SUNITA Digitally signed by
MATHUR SUNITA MATHUR
Date: 2022.07.18
12:00:00 +05'30'
Sunita Mathur
Company Secretary in Practice
FCS No. 1743 / C P No.: 741
ICSI UDIN: F001743D000638588
PR: 1297/2021



भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

Office of the Director General of Audit (Energy)

New Delhi

Dated: 11/07/2022

सेवा में

अध्यक्ष

पावरग्रिड अजमेर फागी ट्रांसमिशन लिमिटेड,

नई दिल्ली।

विषय: 31 मार्च 2022 को समाप्त वर्ष के लिए पावरग्रिड अजमेर फागी ट्रांसमिशन लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, पावरग्रिड अजमेर फागी ट्रांसमिशन लिमिटेड, नई दिल्ली के 31 मार्च 2022 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

डी. के. शेखर

(डी. के. शेखर)

महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF POWERGRID AJMER PHAGI TRANSMISSION LIMITED FOR
THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of Powergrid Ajmer Phagi Transmission Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Ajmer Phagi Transmission Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)
Director General of Audit (Energy)
New Delhi

Place: New Delhi
Dated:



INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF
POWERGRID AJMER PHAGI TRANSMISSION LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID AJMER PHAGI TRANSMISSION LIMITED ("the Company")**, which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss, Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with IND AS and the accounting principles generally accepted in India, of state of affairs of the Company as at 31st March 2022, its profit including other comprehensive income, its Changes in Equity and its cashflows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("**the Act**"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our Auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above if made available to us and as and when it becomes available for our verification and, in doing so, consider whether the other information is materially inconsistent with the financial statement, 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. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

The Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is included in "**Annexure A**". This description forms part of our auditor's report.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure – B**' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid financial statements comply with IND AS and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. As the Government Companies have been exempted from applicability of the provision of section 164(2) of the Companies Act, 2013, reporting on disqualification of Directors is not required.
- f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure – C**'
- g. According to the information and explanations given to us, and based on our examination of the record of the Company, provision of Section 197 read with Schedule V to the Act are not applicable to the Company.
- h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - i. The company disclosed the impact of pending litigations on the financial position in its financial statements of the Company- Refer Note 34 to the financial statements
 - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 1. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 2. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 3. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The Company has not declared any Dividend during the year.

3. In terms of Section 143 (5) of the Companies Act 2013, we give in the “**Annexure-D and Annexure E**” statement on the directions issued by the Comptroller and Auditor General of India.

For **Bahl Chandhoke** (FRN: 089921)
Chartered Accountants

RAJINDER SINGH SIDHU
SINGH SIDHU

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RAJINDER SINGH SIDHU
Date: 2022.05.10
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R.S. Sidhu
Partner
M. No. 089921
UDIN: 22089921AISUWM2317
Place: Faridabad
Date: 10th May, 2022

Annexure – A to the Independent Auditor's Report

(Referred to in 'Auditor's Responsibility for the Audit of 'Financial Statements' section of our report to the Members of **POWERGRID AJMER PHAGI TRANSMISSION LIMITED OF** even date)

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that individually or in aggregate, make it probable that the economic decisions of a reasonable knowledgeable user of the Financial Statements may be influenced. We consider quantitative factors in (i) planning to 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.

For **Bahl Chandhoke** (FRN: 089921)
Chartered Accountants

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SINGH SIDHU

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Date: 2022.05.10
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R.S. Sidhu
Partner
M. No. 089921
UDIN: 22089921AISUWM2317
Place: Faridabad
Date: 10th May, 2022

Annexure 'B' to the Independent Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **POWERGRID AJMER PHAGI TRANSMISSION LIMITED**, on the Ind AS financial statements for the year ended 31 March 2022, we report that:

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant & Equipment.
(B) The Company has generally maintained records, showing full particulars of intangible assets.
- b) The main Property, Plant & Equipment of the company are Transmission towers and lines which have been commissioned during the year and such no physical verification of the same has been required during the year. The company is maintaining the Stores and consumables which have been shown under Capital Work in Progress and have been physically verified by the management during the year. In our opinion, frequency of verification, coverage & procedure adopted by the company for verification is reasonable having regard nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, there is no immovable property held in the name of the Company.
- d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The Company is not maintaining inventories of raw material and finished goods.
(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets.
- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) is not applicable to the company.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) Maintenance of cost records were not applicable to the company during the year.

- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a) have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion and according to the information and explanations given to us,
 - (a) The Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders.
 - (b) The company has not been declared willful defaulter by any bank/financial institution/other lender.
 - (c) Term loans have been applied for the purpose for which the loans were obtained.
 - (d) Funds raised on short term basis have not been utilised for long term purpose.
 - (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) During the year the Company has made preferential allotment of fully paid equity shares to its holding company and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
- (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS 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 nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) are not applicable to the company.

- (xvii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of 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 records of the company, in our opinion, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) According to the information and explanations given to us and based on our examination of the records, the Provisions of Section 135(5) of the Companies Act are not applicable during the financial year. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.
- xxi) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.

For **Bahl Chandhoke** (FRN: 089921)
Chartered Accountants

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Date: 2022.05.10
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R.S. Sidhu
Partner
M. No. 089921
UDIN: 22089921AISUWM2317
Place: Faridabad
Date: 10th May, 2022

Annexure 'C' to the Independent Auditors' Report

Report on Internal Financial Controls Over Financial Reporting

We have audited the internal financial controls over financial reporting of **POWERGRID AJMER PHAGI TRANSMISSION LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

- accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Bahl Chandhoke** (FRN: 089921)
Chartered Accountants

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R.S. Sidhu

Partner

M. No. 089921

UDIN: 22089921AISUWM2317

Place: Faridabad

Date: 10th May, 2022

Annexure 'D' to the Independent Auditors' Report

As referred to in our Independent Auditors Report to the Members of the **POWERGRID AJMER PHAGI TRANSMISSION LIMITED** ("the Company") on the Financial Statements for the Year Ended 31 March, 2022, we Report that:

| Sl. No. | Directions u/s 143(5) of the No. Companies Act, 2013 | Auditor's reply on action taken on the directions | Impact on Financial statements |
|---------|---|---|--------------------------------|
| 1. | Whether the company has system in place to process all the accounting transaction through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated. | All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded/processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regard. | Nil |
| 2 | Whether there is any restructuring of any existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender to the company to the company's inability to repay the loan? If yes, the financial impact may be stated. | There are no cases of restructuring of existing loan or cases of waiver/write off debts/loans/interest etc. | Nil |
| 3. | Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation | No fund has been received from Central/State agencies. | Nil |

For **Bahl Chandhoke** (FRN: 089921)
Chartered Accountants

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R.S. Sidhu

Partner

M. No. 089921

UDIN: 22089921AISUWM2317

Place: Faridabad

Date: 10th May, 2022

Annexure 'E' to the Independent Auditors' Report

Compliance Certificate

We have conducted the Audit of **POWERGRID AJMER PHAGI TRANSMISSION LIMITED** for the year ended March 31, 2022 in accordance with the directions/sub directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the direction/sub directions issued to us.

For **Bahl Chandhoke** (FRN: 089921)
Chartered Accountants

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Date: 2022.05.10
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R.S. Sidhu
Partner
M. No. 089921
UDIN: 22089921AISUWM2317
Place: Faridabad
Date: 10th May, 2022

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

CIN : U40101DL2019GOI347423

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

Balance Sheet as at 31st March, 2022

(₹ in Lakh)

| | Particulars | Note | As at 31st March 2022 | As at 31st March 2021 |
|-------------|---|-----------|-----------------------|-----------------------|
| A | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, plant & equipment | <u>4</u> | 58,280.53 | - |
| | (b) Capital work in progress | <u>5</u> | 139.23 | 57,689.18 |
| | (c) Intangible assets | <u>6</u> | 9.27 | - |
| | (d) Deferred tax Assets (Net) | <u>7</u> | - | 13.95 |
| | (e) Other non-current assets | <u>8</u> | 50.26 | 217.13 |
| | | | 58,479.29 | 57,920.26 |
| 2 | Current assets | | | |
| | (a) Financial Assets | | | |
| | (i) Trade receivables | <u>9</u> | 696.97 | - |
| | (ii) Cash and cash equivalents | <u>10</u> | 349.60 | 3.91 |
| | (iii) Other current financial assets | <u>11</u> | 49.04 | 0.09 |
| | | | 1,095.61 | 4.00 |
| | TOTAL ASSETS | | 59,574.90 | 57,924.26 |
| B | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share Capital | <u>12</u> | 11,500.00 | 11,200.00 |
| | (b) Other Equity | <u>13</u> | 56.53 | (34.17) |
| | | | 11,556.53 | 11165.83 |
| 2 | Liabilities | | | |
| (i) | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | <u>14</u> | 45,295.02 | 43,232.06 |
| | (b) Deferred tax Liabilities (Net) | <u>7</u> | 19.08 | - |
| | | | 45,314.10 | 43,232.06 |
| (ii) | Current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | <u>15</u> | 1,383.96 | - |
| | (i) Other current financial liabilities | <u>16</u> | 1,263.00 | 3,456.00 |
| | (b) Other current liabilities | <u>17</u> | 57.31 | 70.37 |
| | | | 2,704.27 | 3,526.37 |
| | TOTAL EQUITY AND LIABILITIES | | 59,574.90 | 57,924.26 |

The accompanying Notes (1 to 43) form an Integral Part of Financial Statements
As per our report on even date.

For Bahl Chandhoke & Company
Chartered Accountants,
Firm Regn No. 002537N

For & On Behalf of The Board Of Directors.

RAJINDER
SINGH SIDHU

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RAJINDER SINGH SIDHU
Date: 2022.05.10
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CA. R.S. Sidhu
Partner
Mem. No. 089921

SUNIL
AGARWAL

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SUNIL AGARWAL
Date: 2022.05.10
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SUNIL AGRAWAL
(Chairman)
DIN: 09048015
Place: Gurugram
Date: 10th May 2022

Ashok Kumar
Singhal

Digitally signed by
Ashok Kumar Singhal
Date: 2022.05.10
14:58:33 +05'30'

A.K. SINGHAL
(Director)
DIN: 08578420
Place: Gurugram
Date: 10th May 2022

K.V. SAMPATH
KUMAR

Digitally signed by K.V. SAMPATH
KUMAR
Date: 2022.05.10 14:45:32 +05'30'

K V SAMPATH KUMAR
(Chief Financial Officer)
PAN : AEHPK0241G
Place: Jammu
Date: 10th May 2022

PRIYAPREET
T KAUR

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PRIYAPREET KAUR
Date: 2022.05.10
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PRIYAPREET KAUR
(Company Secretary)
M. NO. : A52024
Place: Gurugram
Date: 10th May 2022

Place : Faridabad
Date: 10th May 2022

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)
CIN : U40101DL2019GOI347423
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.
Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakh)

| Sl. No. | Particulars | Note | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|---------|---|-----------|---------------------------------------|---------------------------------------|
| | INCOME | | | |
| I | Revenue From Operations | <u>18</u> | 4,781.93 | - |
| I | Other Income | <u>19</u> | 13.31 | - |
| II | Total Income | | 4,795.24 | - |
| III | EXPENSES | | | |
| | Finance Costs | <u>20</u> | 2,871.75 | - |
| | Depreciation and Amortization Expenses | <u>21</u> | 1,467.24 | - |
| | Other Expenses | <u>22</u> | 332.52 | 1.65 |
| IV | Total Expenses | | 4,671.51 | 1.65 |
| V | Profit/(Loss) Before Tax (III- IV) | | 123.73 | (1.65) |
| | Tax Expense: | | | |
| | Deferred Tax | <u>7</u> | 33.03 | (0.41) |
| VI | Total Tax Expense | | 33.03 | (0.41) |
| VII | Profit for the Period (V-VI) | | 90.70 | (1.23) |
| VIII | Other Comprehensive Income | | - | - |
| IX | Total Comprehensive Income for the period | | 90.70 | (1.23) |
| X | Earnings per Equity Share (Par Value ₹ 10 each) | | | |
| | (i) Basic (₹) | | 0.794 | (0.006) |
| | (ii) Diluted (₹) | | 0.794 | (0.006) |

The accompanying Notes (1 to 43) form an Integral Part of Financial Statements
As per our report on even date.

For & On Behalf of The Board Of Directors.

For Bahl Chandhoke & Company
Chartered Accountants,
Firm Regn No. 002537N

RAJINDER
SINGH SIDHU

CA. R.S. Sidhu
Partner
Mem. No. 089921

Place : Faridabad
Date: 10th May 2022

SUNIL
AGARWAL
SUNIL AGRAWAL
(Chairman)
DIN: 09048015
Place: Gurugram
Date: 10th May 2022

K.V. SAMPATH
KUMAR
K V SAMPATH KUMAR
(Chief Financial Officer)
PAN : AEHPK0241G
Place: Jammu
Date: 10th May 2022

Ashok Kumar
Singhal
A.K. SINGHAL
(Director)
DIN: 08578420
Place: Gurugram
Date: 10th May 2022

PRIYAPREET
KAUR
PRIYAPREET KAUR
(Company Secretary)
M. NO. : A52024
Place: Gurugram
Date: 10th May 2022

POWERGRID AJMER PHAGI TRANSMISSION LIMITED

(Erstwhile: Ajmer Phagi Transco Limited)

CIN : U40101DL2019GOI347423

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016

Statement of Cash flows for the year ended 31st March, 2022

(₹ in Lakh)

| Sl. No. | Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|----------|--|------------------------------------|------------------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit Before Tax | 123.73 | (1.65) |
| | Depreciation and amortisation expenses | 1,467.24 | - |
| | Finance cost | 2,871.75 | - |
| | Adjustment for changes in working capital: | | |
| | (a) Adjustment for Changes in Current Assets | (745.92) | - |
| | (b) Adjustment for Changes in Current Liabilities | (905.23) | - |
| | Net Cash from Operating Activities | 2,811.57 | (1.65) |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | (a) Property, plant & equipment | (1,897.53) | - |
| | (b) Intangible assets | (9.52) | - |
| | (c) Capital work in progress | - | (35,611.96) |
| | (d) Other non-current assets | 166.87 | (391.54) |
| | Net Cash used in Investing Activities | (1,740.18) | (36,003.50) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Issue of Shares | 300.00 | 11,195.00 |
| | Interest on Loan Paid | (4,472.61) | (2,260.83) |
| | Proceeds from Borrowings | 4,137.76 | 26,962.38 |
| | Repayment of Borrowings | (690.84) | - |
| | Net Cash used in Financing Activities | (725.70) | 35,896.55 |
| D | Net change in Cash and Cash equivalents (A+B+C) | 345.69 | (108.60) |
| E | Cash and Cash equivalents (Opening balance) | 3.91 | 112.51 |
| F | Cash and Cash equivalents (Closing balance) (Refer Note 10) | 349.60 | 3.91 |

Notes

- 1 - Previous Year Figures have been re-grouped/re-arranged wherever necessary.
- 2 -The accompanying Notes (1 to 43) form an Integral Part of Financial Statements

As per our report on even date.

For & On Behalf of The Board Of Directors.

For Bahl Chandhoke & Company
Chartered Accountants,
Firm Regn No. 002537N

RAJINDER SINGH SIDHU
Digitally signed by RAJINDER SINGH SIDHU
Date: 2022.05.10 17:09:08 +05'30'

CA. R.S. Sidhu
Partner
Mem. No. 089921

Place : Faridabad
Date: 10th May 2022

SUNIL AGARWAL
Digitally signed by SUNIL AGARWAL
Date: 2022.05.10 15:01:50 +05'30'

SUNIL AGRAWAL
(Chairman)
DIN: 09048015
Place: Gurugram
Date: 10th May 2022

K.V. SAMPATH KUMAR
Digitally signed by K.V. SAMPATH KUMAR
Date: 2022.05.10 14:46:35 +05'30'

K V SAMPATH KUMAR
(Chief Financial Officer)
PAN : AEHPK0241G
Place: Jammu
Date: 10th May 2022

Ashok Kumar Singhal
Digitally signed by Ashok Kumar Singhal
Date: 2022.05.10 14:59:15 +05'30'

A.K. SINGHAL
(Director)
DIN: 08578420
Place: Gurugram
Date: 10th May 2022

PRIYAPREET KAUR
Digitally signed by PRIYAPREET KAUR
Date: 2022.05.10 14:56:57 +05'30'

PRIYAPREET KAUR
(Company Secretary)
M. NO. : A52024
Place: Gurugram
Date: 10th May 2022

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)
CIN : U40101DL2019GOI347423
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.
Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

| Particulars | (₹ in Lakh) |
|---------------------------------|-------------|
| As at 01st April 2021 | 11,200.00 |
| Changes in equity share capital | 300.00 |
| As at 31st March 2022 | 11,500.00 |

| Particulars | (₹ in Lakh) |
|---------------------------------|-------------|
| As at 01st April 2020 | 5.00 |
| Changes in equity share capital | 11,195.00 |
| As at 31st March 2021 | 11,200.00 |

B. Other Equity

| Particulars | Reserves and Surplus | | Total |
|---|------------------------|-------------------|---------|
| | Self Insurance Reserve | Retained Earnings | |
| As at 01st April 2021 | - | (34.17) | (34.17) |
| Total Comprehensive Income for the Period | - | 90.70 | 90.70 |
| Transfer to/(from) retained earnings | 56.53 | (56.53) | - |
| As at 31st March 2022 | 56.53 | - | 56.53 |

| Particulars | Reserves and Surplus | | Total |
|---|------------------------|-------------------|---------|
| | Self Insurance Reserve | Retained Earnings | |
| As at 01st April 2020 | - | (32.94) | (32.94) |
| Total Comprehensive Income for the Period | - | (1.23) | (1.23) |
| Transfer to/(from) retained earnings | - | - | - |
| As at 31st March 2021 | - | (34.17) | (34.17) |

The accompanying Notes (1 to 43) form an Integral Part of Financial Statements
Refer to Note 13 for Nature & Movement of Other Equity.

As per our report on even date.

For Bahl Chandhoke & Company
Chartered Accountants,
Firm Regn No. 002537N

RAJINDER SINGH SIDHU
Digitally signed by RAJINDER SINGH SIDHU
Date: 2022.05.10 17:09:46 +05'30'

CA. R.S. Sidhu
Partner
Mem. No. 089921

Place : Faridabad
Date: 10th May 2022

For & On Behalf of The Board Of Directors.

SUNIL AGARWAL
Digitally signed by SUNIL AGARWAL
Date: 2022.05.10 15:02:08 +05'30'
SUNIL AGRAWAL
(Chairman)
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A.K. SINGHAL
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PRIYAPREET KAUR
(Company Secretary)
M. NO. : A52024
Place: Gurugram
Date: 10th May 2022

Notes to Financial Statements

1. Corporate & General Information

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

The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The date of commencement of operations (DOCO) of company is effective from 06th May, 2021.

The Financial Statements of the Company for the year ended 31st March, 2022 were approved for issue by the Board of Directors on 09th May, 2022.

2. Significant Accounting Policies

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

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

ii) Basis of Measurement

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

iii) Functional and presentation currency

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

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis

taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an 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 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

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, 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.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation 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 leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

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.

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 and Equipment is recognized in the carrying amount of the item if it is probable that future economic benefit 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 and 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 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 office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.4 Intangible Assets and Intangible Assets under development

Intangible assets 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 on development 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.

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.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/Amortisation on the items of Property, Plant and Equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of Transmission Service Agreement entered with Long Term Transmission Customers.

| Particulars | Useful life |
|---------------------------------|--------------------|
| a. Computers & Peripherals | 3 Years |
| b. Servers & Network Components | 5 years |

| | | |
|----|---------------------------------|----------|
| c. | Buildings (RCC frame structure) | 35 years |
| d. | Transmission line | 35 years |
| e. | Substation Equipment | 35 years |

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.

Mobile phones are charged off in the year of purchase.

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

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

Where the cost of depreciable property, plant and equipment has undergone a change due to 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.

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

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

Right of Use Assets:

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

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. 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 straight line method, with Nil Residual Value.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The amortization period and the amortization method for intangible assets is reviewed at each financial year-end and are accounted for as change in accounting estimates in

accordance with Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7 Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 ‘Impairment of Assets’. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”).

An impairment loss is 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.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis or 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.

2.10 Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

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

b) Operating leases

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

For operating leases, the asset is 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.

ii) 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 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

2.11 Financial instruments

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

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

De-recognition 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 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 unfavorable to the Company.

The Company's financial liabilities include loans and 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 derecognized.

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.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2.13 Income Tax

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

Current income tax

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

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

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

2.14 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

Amounts disclosed as revenue are net of returns, trade allowances, rebates.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Contract assets.

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 (RPC) and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any, is accounted upon certification by RPCs.

2.14.2 Other Income

Interest income is 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 and conductor scrap are accounted for as and when sold.

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.

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

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

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Original Gross Block of Property, Plant and Equipment and value of inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

2.20 Statement of Cash Flows

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

3 Critical Estimates and Judgments

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

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

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

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

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

Provisions and contingencies

The assessments undertaken in 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.

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.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of trade receivables and contract assets, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the company's revenue is based on CERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

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.

(Erstwhile: Ajmer Phagi Transco Limited)

(₹ in Lakh)

| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Net Book Value | |
|------------------------------|----------------------|-----------------------------|----------------|------------------------------|-----------------------|--------------------------|-----------------------------|----------------|------------------------------|-----------------------|-----------------------|-----------------------|
| | As at 1st April 2021 | Additions during the period | Sale/ Disposal | Adjustment during the period | As at 31st March 2022 | As at 1st April 2021 | Additions during the period | Sale/ Disposal | Adjustment during the period | As at 31st March 2022 | As at 31st March 2022 | As at 31st March 2021 |
| Plant & Equipment | | | | | | | | | | | | |
| a) Transmission | - | 46,113.65 | | | 46,113.65 | - | 1,131.63 | | | 1,131.63 | 44,982.02 | - |
| b) Substation | - | 13,633.87 | | | 13,633.87 | - | 335.36 | | | 335.36 | 13,298.51 | - |
| | | | | | | | | | | | | |
| Total | - | 59,747.52 | - | - | 59,747.52 | - | 1,466.99 | - | - | 1,466.99 | 58,280.53 | - |

(₹ in Lakh)

[illegible]

POWERGRID AJMER PHAGI TRANSMISSION LIMITED

(Erstwhile: Ajmer Phagi Transco Limited)

Note 5/ CAPITAL WORK IN PROGRESS**(₹ in Lakh)**

| Particulars | As at 1st April, 2021 | Additions during the period | Adjustments | Capitalised during the period | As at 31st March 2022 |
|---|-----------------------|-----------------------------|----------------|-------------------------------|-----------------------|
| | A | B | C | D | E=(A+B-C-D) |
| Plants and Equipments (including associated civil works) | | | | | |
| Transmission Line | 41670.41 | 460.40 | - | 42130.81 | - |
| Substation | 6791.51 | 5723.74 | - | 12515.25 | - |
| Expenditure Pending Allocation | | | | | |
| Expenditure During Construction Period (net) | 4770.27 | 340.24 | (0.47) | 5110.98 | - |
| Construction Stores | 4457.00 | 942.10 | 5259.87 | - | 139.23 |
| Total | 57689.18 | 7466.48 | 5259.40 | 59757.04 | 139.23 |

(₹ in Lakh)

| Particulars | As at 1st April, 2020 | Additions during the period | Adjustments | Capitalised during the period | As at 31st March 2021 |
|---|-----------------------|-----------------------------|------------------|-------------------------------|-----------------------|
| | A | B | C | D | E=(A+B-C-D) |
| Plants and Equipments (including associated civil works) | | | | | |
| Plants and Equipments (Transmission Line) | 4,994.95 | 36675.46 | - | - | 41670.41 |
| Substation | - | 6791.51 | - | - | 6791.51 |
| Expenditure Pending Allocation | | | | | |
| Expenditure During Construction Period (net) | 1,674.63 | 3095.63 | - | - | 4770.27 |
| Construction Stores | 10,476.52 | 29481.98 | 35,501.51 | - | 4457.00 |
| Total | 17,146.10 | 76,044.59 | 35,501.51 | - | 57,689.18 |

Construction Stores**(₹ in Lakh)**

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|-----------------------|-----------------------|
| Construction Stores | | |
| Cons. stores-Conduct | - | 3.66 |
| Sub-Station Equipments | 133.44 | 4,353.11 |
| Other Line Materials | - | 4.88 |
| Cons. stores-Tower | - | 0.56 |
| High Voltage Direct Current (HVDC) Eqnts | - | 0.27 |
| Unified Load Despatch (ULDC) Materials | 5.79 | 93.54 |
| Other | - | 0.98 |
| Total | 139.23 | 4,457.00 |

Construction Store include:

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|-----------------------|-----------------------|
| Material with Contractor | | |
| Cons. stores-Conduct | - | 3.66 |
| Sub-Station Equipments | 133.44 | 4,353.11 |
| Other Line Material | - | 4.88 |
| Cons. stores-Tower | - | 0.56 |
| High Voltage Direct Current (HVDC) Eqnts | - | 0.27 |
| Unified Load Despatch (ULDC) Materials | 5.79 | 93.54 |
| Other | - | 0.98 |
| Total | 139.23 | 4457.00 |

Further Note:-

a)Details of Expenditure during construction is given in Note 23.

(Erstwhile: Ajmer Phagi Transco Limited)

| (₹ in Lakh) | | | | | | | | | | | | |
|-------------------------------------|----------------------|-----------------------------|----------------|------------------------------|-----------------------|--------------------------|-----------------------------|----------------|------------------------------|-----------------------|-----------------------|-----------------------|
| Particulars | Cost | | | | | Accumulated Depreciation | | | | | Net Book Value | |
| | As at 1st April 2021 | Additions during the period | Sale/ Disposal | Adjustment during the period | As at 31st March 2022 | As at 1st April 2021 | Additions during the period | Sale/ Disposal | Adjustment during the period | As at 31st March 2022 | As at 31st March 2022 | As at 31st March 2021 |
| Right of Way-Afforestation Expenses | - | 9.52 | | | 9.52 | - | 0.25 | | | 0.25 | 9.27 | - |
| Total | - | 9.52 | - | - | 9.52 | - | 0.25 | - | - | 0.25 | 9.27 | - |

[illegible]

POWERGRID AJMER PHAGI TRANSMISSION LIMITED**(Erstwhile: Ajmer Phagi Transco Limited)****Note 7/ DEFERRED TAX ASSETS/(LIABILITIES) (Net)****(₹ in Lakh)**

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|-----------------------|-----------------------|
| Deferred Tax Assets (A) | | |
| Brought forward business loss | - | 13.95 |
| Total Deferred Tax Asset (A) | - | 13.95 |
| Deferred Tax Liabilities (B) | | |
| Depreciation difference in Property Plant and Equipment (Net) | 19.08 | - |
| Total Deferred Tax Liabilities (B) | 19.08 | - |
| Net Deferred Tax Asset/(Liability) (A-B) | (19.08) | 13.95 |

Movements in Deferred Tax Assets**(₹ in Lakh)**

| | Unused Tax Losses | Total |
|--|-------------------|----------------|
| As at 31th March 2020 | (13.53) | (13.53) |
| Charged/(Credited)- to Profit or Loss | (0.41) | (0.41) |
| As at 31th March 2021 | (13.95) | (13.95) |
| Charged/(Credited) - to Profit or Loss | 13.95 | 13.95 |
| As at 31st March 2022 | - | - |

Movements in Deferred Tax Liabilities**(₹ in Lakh)**

| | Unused Tax Losses | Total |
|--|-------------------|----------|
| As at 31th March 2020 | - | - |
| (Charged)/Credited - to Profit or Loss | - | - |
| As at 31th March 2021 | - | - |
| (Charged)/Credited - to Profit or Loss | (19.08) | - |
| As at 31st March 2022 | (19.08) | - |

Amount taken to Statement of Profit and Loss**(₹ in Lakh)**

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|---|------------------------------------|------------------------------------|
| Increase/(Decrease) in Deferred Tax Liabilities | 19.08 | - |
| (Increase)/Decrease in Deferred Tax Assets | 13.95 | (0.41) |
| Net Amount taken to Statement of Profit and Loss | 33.03 | (0.41) |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 8/ OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise specified)

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|-----------------------|
| <u>Advances for Capital Expenditure</u> | | |
| Advances Against Bank guarantees | - | 169.13 |
| | | |
| <u>Advances other than for Capital Expenditure</u> | | |
| Advances recoverable in kind or for value to be received | | |
| Advance tax and Tax deducted at source | 8.56 | 6.30 |
| Others | 41.70 | 41.70 |
| Total | 50.26 | 217.13 |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 9/Trade Receivables

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------|-----------------------|-----------------------|
| Trade Receivable-Unsecured | | |
| -Considered Good | 696.97 | - |
| Total | 696.97 | - |

i) Refer Note 39 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers"

ii) Trade Receivables includes unbilled transmission charges for the month of March 2022 amounting to ₹ 418.30 Lakhs (Previous year ₹ NIL) & surcharge for the month of March 2022 amounting to ₹ 3.72 Lakhs billed to beneficiaries in the subsequent month i.e. April 2022 and transmission incentive of ₹ 52.88 Lakhs (Previous year ₹ NIL) to be billed in FY 2022-23.

Ageing of Trade Receivable is as follows:

(₹ in Lakh)

| Particulars | | Unbilled | 0-6M | 6M-1Y | 1Y-2Y | 2Y-3Y | >3Y | Total |
|-------------------------------------|------------|----------|--------|-------|-------|-------|-----|---------------|
| As at 31.03.2022 | | | | | | | | |
| Considered – Good | Disputed | - | - | - | - | - | - | - |
| | Undisputed | 474.90 | 169.75 | 52.32 | - | - | - | 696.97 |
| Significant increase in Credit Risk | Disputed | - | - | - | - | - | - | - |
| | Undisputed | - | - | - | - | - | - | - |
| Credit Impaired | Disputed | - | - | - | - | - | - | - |
| | Undisputed | - | - | - | - | - | - | - |
| As at 31.03.2021 | | | | | | | | |
| Considered – Good | Disputed | - | - | - | - | - | - | - |
| | Undisputed | - | - | - | - | - | - | - |
| Significant increase in Credit Risk | Disputed | - | - | - | - | - | - | - |
| | Undisputed | - | - | - | - | - | - | - |
| Credit Impaired | Disputed | - | - | - | - | - | - | - |
| | Undisputed | - | - | - | - | - | - | - |

Note 10/Cash and cash equivalents

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|-----------------------|-----------------------|
| Balance with Banks- | | |
| - In Current Accounts with scheduled banks | 70.54 | 3.91 |
| - In term deposits (with maturity less than 3 months)* | 279.06 | - |
| Total | 349.60 | 3.91 |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 11/Other Current Financial Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|------------------------------|------------------------------|
| Other Advance (Including advance to contractors) | 49.04 | 0.09 |
| Total | 49.04 | 0.09 |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED

(Erstwhile: Ajmer Phagi Transco Limited)

Note 12 - Equity Share Capital

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|-----------------------|-----------------------|
| Equity Share Capital | | |
| Authorised Share Capital (12,50,00,000 (31st March 2021 12,50,00,000) equity shares of ₹10/- each at par) | 12,500.00 | 12,500.00 |

(₹ in Lakh)

| | | |
|---|-----------|-----------|
| Issued,Subscribed and Paid up Share Capital | | |
| 11,50,00,000 (31st March 2020 11,20,00,000) fully paid up Equity shares of Rs. 10/- each at par | 11,500.00 | 11,200.00 |
| Total | 11,500.00 | 11,200.00 |

Further Notes:

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|-----------------------|-----------|-----------------------|-----------|
| | No.of Shares | ₹ in Lakh | No.of Shares | ₹ in Lakh |
| Shares outstanding at the beginning of the period | 11,20,00,000 | 11,200.00 | 50,000 | 5.00 |
| Shares Issued during the period | 30,00,000 | 300.00 | 11,19,50,000 | 11,195.00 |
| Shares outstanding at the end of the period | 11,50,00,000 | 11,500.00 | 11,20,00,000 | 11,200.00 |

2) The Company has only one class of equity shares having a par value of ₹10/- per share.

3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

4) Shareholders holding more than 5% equity shares of the Company

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | No.of Shares | % of holding | No.of Shares | % of holding |
| Power Grid Corporation of India Limited # (Holding Company) | 11,50,00,000 | 100% | 11,20,00,000 | 100% |

5) Shareholding by Promoters

| Particulars | As at 31st March,2022 | | | As at 31st March,2021 | | |
|---|-----------------------|--------------|--------------------------|-----------------------|--------------|--------------------------|
| | No.of Shares | % of holding | % Change during the year | No.of Shares | % of holding | % Change during the year |
| Power Grid Corporation of India Limited(Holding Company)# | 11,50,00,000 | 100% | - | 11,20,00,000 | 100% | - |

Out of 11,50,00,000 Equity Shares (Previous Year 11,20,00,000 Equity Shares) , 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.

Power Grid Corporation of India Limited is the promoter of the company and there is no change in equity holding percentage during the year and in previous year.

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 13./ Other Equity

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Reserves and Surplus | | |
| (i) Self Insurance Reserve* | | |
| As per last balance sheet | - | - |
| Addition during the year | 56.53 | - |
| Deduction during the year | - | - |
| Balance at the end of the period | 56.53 | - |
| (ii) Retained Earnings | | |
| Balance at the beginning of the period | (34.17) | (32.94) |
| Add : Net Profit for the period | 90.70 | (1.23) |
| Less: Self Insurance Reserve | (56.53) | - |
| Balance at the end of the period | - | (34.17) |
| Total | 56.53 | (34.17) |

*Self-insurance reserve is created @ 0.12% p.a. on Original Gross Block of Property, Plant and Equipment and value of inventory except ROU assets and assets covered under insurance as at the end of the year or upto the amount available in retained earning 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'.

POWERGRID AJMER PHAGI TRANSMISSION LIMITED**(Erstwhile: Ajmer Phagi Transco Limited)****Note 14/Borrowings****(₹ in Lakh)**

| Description | As at 31st March 2022 | As at 31st March 2021 |
|--|----------------------------------|----------------------------------|
| | | |
| Unsecured Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.) | 46,678.98 | 44,532.88 |
| Less: Int Accrued on borrowings | - | (1,300.82) |
| Less: Current Maturity of Long Term Borrowings | (1,383.96) | - |
| Total | 45,295.02 | 43,232.06 |

Further Note -

i) The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The present rate of interest on the loan is 6.86% p.a. Loan is repayable in quarterly installments of equal amount over the period of 35 years from commissioning of the project assets / till December, 2055 with prepayment facility without any additional charges.

ii) There has been no default in repayment of loan or payment of interest thereon during the year.

iii) Current maturity of long term borrowings have been taken from the repayment schedule as agreed by Power Grid Corporation of India Ltd. (Holding Company) and Powergrid Ajmer Phagi Transmission Limited.

iv) Disclosure with regard to Loans to/from related parties is given in note 32.

POWERGRID AJMER PHAGI TRANSMISSION LIMITED**(Erstwhile: Ajmer Phagi Transco Limited)****Note 15/Borrowings****(₹ in Lakh)**

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|------------------------------|------------------------------|
| Current Maturities of Long term Borrowings | | |
| Unsecured Loan from Power Grid Corporation of India Ltd., (Holding Company) | 1,383.96 | - |
| | | |
| TOTAL (A) | 1,383.96 | - |

Further Note -

i) There has been no default in repayment of loan or payment of interest thereon during the year.

ii) Current maturity of long term borrowings have been taken from the repayment schedule as agreed by Power Grid Corporation of India Ltd. (Holding Company) and Powergrid Ajmer Phagi Transmission Limited.

POWERGRID AJMER PHAGI TRANSMISSION LIMITED**(Erstwhile: Ajmer Phagi Transco Limited)****Note 16/Other Current Financial Liability****(₹ in Lakh)**

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| A) Interest accrued on borrowings | | |
| Interest accrued on borrowings from Power Grid Corporation of India Ltd. (Holding Co.) | - | 1,300.82 |
| TOTAL (A) | - | 1,300.82 |
| B) Others | | |
| i) Dues for Capital Expenditure | 94.86 | 362.30 |
| ii) Deposits/Retention money from contractors and others. | 1,168.14 | 1,792.88 |
| TOTAL (B) | 1,263.00 | 2,155.18 |
| | | |
| TOTAL (A+B) | 1,263.00 | 3,456.00 |

Further Note :

1. Disclosure with regard to Micro and Small Enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note 30

2. Breakup of Related Parties is provided in Note 32

POWERGRID AJMER PHAGI TRANSMISSION LIMITED

(Erstwhile: Ajmer Phagi Transco Limited)

Note 17/Other Current Liabilities

(₹ in Lakh)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--------------------|------------------------------|------------------------------|
| Statutory Dues | 57.31 | 70.37 |
| Total | 57.31 | 70.37 |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED**(Erstwhile: Ajmer Phagi Transco Limited)****Note 18/ Revenue from Operations****(₹ in Lakh)**

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|----------------------|---------------------------------------|---------------------------------------|
| | | |
| Transmission Charges | 4,781.93 | - |
| | | |
| Total | 4781.93 | - |

Refer Note 39 for disclosure as per Ind AS 115 “Revenue from Contracts with Customers”**Note 19/ Other Income****(₹ in Lakh)**

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| | | |
| Rebate on RLDC Fees | 0.01 | - |
| Interest from Fixed Deposits | 1.48 | - |
| Surcharge Income | 11.82 | - |
| Interest from advances to contractors | - | 45.72 |
| Less: Transferred to Expenditure during Construction (Net) - Note 23 | - | (45.72) |
| | | |
| Total | 13.31 | - |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 20/Finance Costs

(₹ in Lakh)

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Interest and finance charges on financial liabilities at amortised cost | | |
| Interest on loan from Powergrid Corporation of India Ltd. (Holding Company) | 3171.79 | 2260.83 |
| Less: Transferred to Expenditure during Construction (Net) - Note 23 | (300.04) | (2,260.83) |
| | | |
| Total | 2,871.75 | - |

Note : Breakup of Related Parties is provided in Note 32

Note 21/Depreciation and Amortisation Expenses

(₹ in Lakh)

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Depreciation of Property, Plant and Equipment | 1466.99 | - |
| Amortization of Intangible assets | 0.25 | - |
| Total | 1,467.24 | - |

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 22/ Other Expenses

(₹ in Lakh)

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|--|---|---|
| Licence Fee to CERC and other charges | 14.53 | 5.38 |
| Audit Fees (inc. fee in other capacities) | | |
| - Statutory Audit Fees | 0.35 | 0.62 |
| Professional Charges | 1.37 | 95.65 |
| Rates and taxes others | 0.91 | 19.98 |
| Bank Charges - Other than Financing Activity | - | 3.07 |
| Repair and Maintainance Charges | 316.29 | - |
| Misc. expenses | 0.02 | 5.10 |
| Legal Expenses | 0.10 | 94.85 |
| Consultancy Charges | 39.15 | 752.37 |
| Sub Total | 372.72 | 977.02 |
| Less: Transferred to Expenditure during Construction (Net) - Note 23 | (40.20) | (880.52) |
| Total | 332.52 | 1.65 |

Note : Breakup of Related Parties is provided in Note 32

POWERGRID AJMER PHAGI TRANSMISSION LIMITED
(Erstwhile: Ajmer Phagi Transco Limited)

Note 23/ Expenditure During Construction (Net)

(₹ in Lakh)

| Particulars | For the Year ended 31st March 2022 | For the Year ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| A. Other income | | |
| Interest from advances to contractors | - | 45.72 |
| Total (A) | - | 45.72 |
| B. Finance Cost | | |
| Interest on loan from Powergrid Corporation of India Ltd. (Holding Company) | 300.04 | 2,260.83 |
| Total (B) | 300.04 | 2,260.83 |
| C. Other Expenses | | |
| CERC petition & Other charges | - | 5.38 |
| Professional Charges | 0.11 | - |
| Miscellaneous Expenses | 0.94 | 5.10 |
| Rates and taxes others | - | 19.95 |
| Bank Charges - Other than Financing Activity | - | 2.87 |
| Legal Expenses | - | 94.85 |
| Consultancy Charges | 39.15 | 752.37 |
| Total (C) | 40.20 | 880.52 |
| Grand Total (B+C-A) | 340.24 | 3,095.63 |

24. Party Balances and Confirmations

- a. Some Balances of recoverable shown under Assets and Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
- b. In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

25. Central Transmission Utility of India Limited (Fellow Subsidiary Company) was notified as CTU w.e.f. 01.04.2021 by GOI vide Notification No. CG-DL-E-09032021-225743 and is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licensees. Accordingly, CTU is raising bills for transmission charges to DICs on behalf of IST licensees. The debtors and their recovery are accounted based on the list of DICs given by CTU. POWERGRID (holding Company) was notified as CTU by GOI till 31.03.2021.

26. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges.

Since there are no permanent employees in the company, the obligation as per Ind AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

27. Borrowing cost incurred during the year is ₹ 300.04 lakh (Previous Year ₹ 2260.83 lakh) has been transferred to Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

28. Disclosure as per Ind AS 116 - "Leases"

The company does not have any lease arrangements either as a lessor or lessee therefore Ind AS 116 "leases" does not apply to the company.

29. Corporate Social Responsibilities (CSR) :

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 Corporate Social Responsibility Policy.

Since company does not meet conditions mentioned in section, hence section 135 of the Companies Act, 2013 is not applicable to the company.

30. MSME Payments :

Based on information available with the company, there are few supplier's/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 MSMED Act, 2006 is given as under:

(₹ in Lakh)

| Sr. No | Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---------------|---|---|---|
| 1 | Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest | Nil Nil | Nil Nil |
| 2 | The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | Nil | Nil |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year. | Nil | Nil |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | Nil | Nil |

31. Fair Value Measurements

(₹ in Lakhs)

| Financial Instruments by category | As on 31 st March, 2022 | As on 31 st March, 2021 |
|---|------------------------------------|------------------------------------|
| | Amortised Cost | Amortised Cost |
| <u>Financial Assets</u> | | |
| Trade Receivables | 696.97 | - |
| Cash & cash Equivalents | 349.60 | 3.91 |
| Other Current Financial Assets | 49.04 | 0.09 |
| Total financial assets | 1,095.61 | 4.00 |
| <u>Financial Liabilities</u> | | |
| Borrowings | 46,678.98 | 44,532.88 |
| <u>Other Financial Liabilities</u> | | |
| Current** | 1,263.00 | 2,155.18 |
| Total financial liabilities | 47,941.98 | 46,688.06 |

* Borrowings includes maturity of borrowings and interest accrued on borrowings.

**Other current financial liabilities exclude current maturity and interest accrued on borrowings.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial instruments that are measured at amortised cost:

(₹ in Lakh)

| Particulars | Level | As on 31 st March, 2022 | | As on 31 st March, 2021 | |
|------------------------------------|-------|------------------------------------|------------------|------------------------------------|------------------|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | - | - | - | - |
| Total Financial Assets | | - | - | - | - |
| Financial Liabilities | | | | | |
| Borrowings* | 2 | 46,678.98 | 45,989.60 | 44,532.88 | 43,972.22 |
| Total financial liabilities | | 46,678.98 | 45,989.60 | 44,532.88 | 43,972.22 |

*Borrowings includes maturity of borrowings and interest accrued on borrowings.

The carrying amounts of trade receivables, trade payables, Bank Balance, cash and cash equivalents, other current financial assets 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 approximate 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

32. Disclosure as per Ind AS 24 - "Related Party Disclosures"

(a) Holding Company

| Name of entity | Place of business/ Country of incorporation | Proportion of Ownership Interest | |
|---|---|----------------------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| Power Grid Corporation of India Limited | India | 100% | 100% |

(b) Subsidiaries of Holding Company

| Name of entity | Place of business/ Country of incorporation |
|----------------|--|
|----------------|--|

| | |
|--|-------|
| POWERGRID Vemagiri Transmission Limited | India |
| POWERGRID NM Transmission Limited | India |
| POWERGRID Unchahar Transmission Limited | India |
| POWERGRID Southern Interconnector Transmission System Limited | India |
| POWERGRID Medinipur Jeerat Transmission Limited | India |
| POWERGRID Mithilanchal Transmission Limited | India |
| POWERGRID Varanasi Transmission System Limited | India |
| POWERGRID Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited) | India |
| POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) | India |
| POWERGRID Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) | India |
| POWERGRID Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) | India |
| POWERGRID Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) | India |
| POWERGRID Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) | India |
| POWERGRID Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited) | India |
| Central Transmission Utility of India Limited | India |
| POWERGRID Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) | India |
| POWERGRID Himachal Transmission Limited (Erstwhile Jaypee POWERGRID Limited) | India |
| POWERGRID Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited) | India |
| POWERGRID Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) ¹ | India |
| POWERGRID Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) ¹ | India |
| POWERGRID Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) ² | India |
| POWERGRID Teleservices Limited ³ | India |
| POWERGRID Energy Services Limited ⁴ | India |
| ¹ 100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited (erstwhile REC Power Distribution Company Limited) on 04.06.2021 | |
| ² 100% equity acquired by POWERGRID from PFC Consulting Limited on 08.06.2021 | |
| ³ Incorporated on 25.11.2021 | |
| ⁴ Incorporated on 14.03.2022 | |

(c) Joint Ventures of Holding company

| Name of entity | Place of business/ Country of incorporation |
|---|--|
| Powerlinks Transmission Limited | India |
| Torrent Power Grid Limited | India |
| Parbati Koldam Transmission Company Limited | India |
| Teestavalley Power Transmission Limited | India |

| | |
|---|-------|
| North East Transmission Company Limited | India |
| National High Power Test Laboratory Private Limited | India |
| Bihar Grid Company Limited | India |
| Energy Efficiency Services Limited ¹ | India |
| Cross Border Power Transmission Company Limited | India |
| RINL POWERGRID TLT Private Limited ² | India |
| Power Transmission Company Nepal Limited | Nepal |
| ¹ POWERGRID has invested ₹ 407.49 crore during 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. | |
| ² POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL POWERGRID TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited. | |

(d) Associates of Holding Company

| Name of entity | Place of business/ Country of incorporation |
|---|--|
| POWERGRID Kala Amb Transmission Limited ¹ | India |
| POWERGRID Jabalpur Transmission Limited ¹ | India |
| POWERGRID Vizag Transmission Limited ¹ | India |
| POWERGRID Warora Transmission Limited ¹ | India |
| POWERGRID Parli Transmission Limited ¹ | India |
| ¹ Associates of Holding Company w.e.f. 13.05.2021 (Wholly owned Subsidiaries of Holding Company till 12.05.2021); POWERGRID has transferred its remaining 26% stake in POWERGRID Vizag Transmission Limited (PVTL) on 31.03.2022, hence PVTL has ceased to be the Associate of Holding Company w.e.f. 31.03.2022 | |

(e) Key Managerial Personnel

| S. No. | Name | Designation | DIN/PAN | Date of Appointment | Date of Cessation |
|--------|------------------------|-------------------------|------------|---------------------|-------------------|
| 1 | Shri Sunil Agrawal | Chairman | 09048015 | 08/02/2021 | - |
| 2 | Shri A. K. Mishra | Director | 09054314 | 22/02/2021 | 29/03/2022 |
| 3 | Shri A. K. Singhal | Director | 08578420 | 03/10/2019 | - |
| 4 | Shri R. Rajagopalan | Director | 08550853 | 03/10/2019 | - |
| 5 | Dr. Sunita Chohan | Director | 09384685 | 02/11/2021 | - |
| 6 | Shri A. K. Behera | Director | 09554733 | 31/03/2022 | - |
| 7 | Shri K V Sampath Kumar | Chief Financial Officer | AEHPK0241G | 26/02/2021 | - |
| 8 | Ms. Priyapreet Kaur | Company Secretary | DNRPK0477A | 11/01/2022 | - |

(f) Government Related Entities

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

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

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

(g) Transactions with related parties

The following transactions occurred with related parties:

| (₹ in Lakhs) | | |
|--|---|---|
| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
| Power Grid Corporation of India Ltd. (<u>Holding Company</u>) | | |
| Consultancy Charges (excluding Taxes) | 263.18 | 637.60 |
| Reimbursement of BG Charges (Excluding Taxes) | Nil | 2.43 |
| Repayment of Loan | 690.84 | Nil |
| Additional Loan obtained during the year | 4,137.76 | 26,962.38 |
| Investments Received during the year (Equity/Share application Money) | 300.00 | 11,195.00 |
| Interest on Loan | 3,171.79 | 2,260.83 |
| Central Transmission Utility of India Ltd. (<u>Fellow Subsidiary Company</u>) | | |
| Transactions in capacity of CTU | 4,793.75 | - |

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

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

| (₹ in Lakhs) | | |
|--|--|--|
| Particulars | As on 31st March, 2022 | As on 31st March, 2021 |
| <u>Amount payable</u> | | |
| Power Grid Corporation of India Ltd. (<u>Holding Company</u>) | | |
| Purchases of goods and services – O&M Maintenance / Consultancy | 12.61 | 39.89 |
| Reimbursement for payment of expenses made by Holding Company | Nil | 2.87 |
| Loans from Holding Company | 46,678.98 | 43,232.06 |
| Interest accrued on Loan | Nil | 1,300.82 |
| | | |
| <u>Amounts Receivable</u> | | |
| Central Transmission Utility of India Ltd. (<u>Fellow Subsidiary Company</u>) | | |
| Outstanding Balance in capacity of CTU | 696.97 | - |

33. Operating Segments

a) Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segment has been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

34. Contingent Liabilities and contingent assets

There is no Contingent Liability/ Assets as on 31st March 2022(Nil as on 31st March 2021)

35. Capital and Other Commitments

| (₹ in Lakhs) | | |
|--|------------------------------------|------------------------------------|
| Particulars | As on 31 st March, 2022 | As on 31 st March, 2021 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | 1,464.03 | 2,064.69 |

36. Capital management

a) Risk Management

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in its projects, return capital to shareholders or issue new shares. The company monitors capital using debt-equity ratio, which is the ratio of long-term debt to total net worth. The company includes within long term debt, interest bearing loans and borrowings and current maturities of long-term debt.

The debt – equity ratio of the Company was as follows :

| Particulars | As on 31 st March, 2022 | As on 31 st March, 2021 |
|--------------------------------|------------------------------------|------------------------------------|
| Long term debt (₹ in lakhs)* | 46,678.98 | 43,232.06 |
| Equity (₹ in lakhs) | 11,556.53 | 11,165.83 |
| Long term debt to Equity ratio | 4.04 | 3.87 |

* Long term debt includes current maturities of long term debt but excludes interest accrued on borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2022 and 31st March, 2021.

b) Dividends

| Particulars | (₹ in Lakhs) | |
|--|------------------------------------|------------------------------------|
| | As on 31 st March, 2022 | As on 31 st March, 2021 |
| Interim dividend for the year ended 31 st March 2022 is ₹ Nil(31 st March 2021 of ₹ Nil) per fully paid share | NIL | NIL |
| Final dividend for the year ended 31 st March, 2021 of ₹ Nil(31 st March, 2020 of ₹ Nil) per fully paid share. | NIL | NIL |

c) Earning per share

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|-------------------------------|-------------------------------|
| (a) Basic and diluted earnings per share attributable to the equity holders of the company | 0.794 | (0.006) |
| (b) Total Earnings attributable to the equity holders of the company ((₹ in Lakhs) | 90.70 | (1.23) |
| (c) Weighted average number of shares used as the denominator | 1,14,30,137 | 1,12,00,000 |

37. Financial Risk Management:

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

- a) Credit risk,
- b) Liquidity risk,
- c) Market risk.

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

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

A) Credit Risk

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

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

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

(i) Trade Receivables and Contract Assets

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of company, a graded rebate is provided for payments made within due date. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

Trade receivables consist of receivables relating to transmission services of ₹ 696.97 Lakhs (₹ NIL as on 31st March, 2021).

Contract assets primarily relates to the Company's right to consideration for services provided 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 ₹ 349.60 Lakhs as on 31st March, 2022 (₹ 3.91 Lakhs as on 31st March, 2021). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

(iii) Exposure to credit risk

| Particulars | (₹ in Lakhs) | |
|---|------------------------------------|------------------------------------|
| | As on 31 st March, 2022 | As on 31 st March, 2021 |
| Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL) | | |
| Cash and cash equivalents | 349.60 | 3.91 |
| Other current financial assets | 49.04 | 0.09 |
| Total | 398.64 | 4.00 |
| Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) | | |
| Trade Receivables | 696.97 | NIL |
| Total | 696.97 | NIL |

(iv) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables and contract assets) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

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) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in Lakhs)

| Ageing | Not Billed | 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 st March, 2022 | 474.90 | 240.46 | 61.74 | 38.42 | (206.95) | 88.40 | 696.97 |
| Gross carrying amount as on 31 st March, 2021 | - | - | - | - | - | - | - |

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its obligations. For this, Company provided quarterly cashflows in advance to Holding Company with Monthly requirement.

(i) Financing Arrangements

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

(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 Lakhs)

| Contractual maturities of financial liabilities | Within a year | Between 1-5 years | Beyond 5 years | Total |
|---|-----------------|-------------------|------------------|--------------------|
| As on 31st March, 2022 | | | | |
| Borrowings (including interest outflows) | 4,549.46 | 17,246.31 | 79,298.18 | 1,01,093.95 |
| Other Current Financial Liabilities | 1,263.00 | - | - | 1,263.00 |
| Total | 5,812.46 | 17,246.31 | 79,298.18 | 1,02,356.95 |

| As on 31 st March, 2021 | | | | |
|--|-----------------|-----------------|------------------|------------------|
| Borrowings (including interest outflows) | - | 3322.44 | 39,909.62 | 43,232.06 |
| Other Current Financial Liabilities | 2,155.18 | - | - | 2,155.18 |
| Total | 2,155.18 | 3,322.44 | 39,909.62 | 45,387.24 |

C) Market Risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

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

ii) Interest rate risk

The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings. The various sources of loans being extended to the company by parent company are Fixed interest and floating interest rate which get reset periodically. The Company manages the interest rate risks by maintaining a debt portfolio of fixed and floating rate borrowings.

38. 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 positions.

(a) Income tax expense -

| | (₹ in Lakhs) | |
|---|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
| <u>Current Tax</u> | | |
| Current tax on profits for the year | - | - |
| Earlier year Tax | - | - |
| Adjustments for current tax of prior periods | - | - |
| Total current tax expense (A) | - | - |
| <u>Deferred tax expense</u> | | |
| Originating and reversal of temporary differences | 33.03 | (0.41) |

| | | |
|---|--------------|---------------|
| Previously unrecognized tax credit recognized as Deferred tax Asset this year | - | - |
| Total deferred tax expense /(benefit) (B) | 33.03 | (0.41) |
| Income tax expense (A+B) | 33.03 | (0.41) |

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

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|--|--|
| Profit/(loss) before income tax expense | 123.73 | (1.65) |
| Tax using Company's Domestic Tax rate @ 25.168% (Previous Year @ 25.168%) | 31.14 | (0.41) |
| Tax effect of: | | |
| Non-Deductible tax items | 0.03 | - |
| Tax exempt income | - | - |
| Deferred Tax expense/(income) | 1.86 | - |
| Income tax expense | 33.03 | (0.41) |

39. Disclosure on Ind AS 115 "Revenue from Contracts with Customers"

a) The Company does not have any contract assets or contract liability as at 31st March 2022 and 31st March 2021.

b) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of revenue recognized vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in Lakhs)

| Particulars | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Contracted price | 4,750.37 | - |
| Add/ (Less)- Discounts/ rebates provided to customer | (21.32) | - |
| Add/ (Less)- Performance bonus | 52.88 | - |
| Add/ (Less)- Adjustment for significant financing component | - | - |
| Add/ (Less)- Other adjustments | - | - |
| Revenue recognized in profit or loss statement | 4,781.93 | - |

40. Additional Regulatory Information as per Schedule III to the Companies Act, 2013

a) 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.

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

| (₹ in lakh) | | | | | |
|---|------------------|------------------|-----------|----------|------------------|
| Particulars | <1 Year | 1-2 Years | 2-3 Years | >3 Years | Total |
| As at 31.03.2022 | | | | | |
| Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ | - | 139.23 | - | - | 139.23 |
| Total | - | 139.23 | - | - | 139.23 |
| As at 31.03.2021 | | | | | |
| Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ | 40,543.08 | 17,146.10 | - | - | 57,689.18 |
| Total | 40,543.08 | 17,146.10 | - | - | 57,689.18 |

c) The Company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.

d) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year. The Company has registered charges or satisfaction of charges during the financial year with Registrar within statutory period.

e) 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.

f) Ratios

| Ratio | Numerator | Denominator | Current Year | Previous Year | Variance (%age) | Reason for variance >25% |
|---------------------------------|-------------------------|----------------------|--------------|---------------|-----------------|--|
| (a) Current Ratio | Current Assets | Current Liabilities | 0.41 | 0.00 | NA | During the current financial year; company has started its operations. |
| (b) Debt-Equity Ratio | Total Debt | Shareholder's Equity | 4.04 | 3.87 | 0.043 | During the current financial year; company has started its operations. |
| (c) Debt Service Coverage Ratio | Profit for the period + | Interest & Lease | 1.24 | NA | NA | During the current |

| | | | | | | |
|--------------------------------------|---|--|----------|----|----|--|
| | Depreciation and amortization expense + Finance costs + FERV + Loss on Sale of Fixed Assets | Payments + Principal Repayments | | | | financial year; company has started its operations. |
| (d) Return on Equity Ratio | Profit for the period | Average Shareholder's Equity | 0.01 | NA | NA | During the current financial year; company has started its operations. |
| (e) Inventory turnover ratio | Revenue from Operations | Average Inventory | NA | NA | NA | |
| (f) Trade Receivables turnover ratio | Revenue from Operations | Average Trade Receivables (before deducting provision) | 13.72 | NA | NA | During the current financial year; company has started its operations. |
| (g) Trade payables turnover ratio | Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE | Average Trade payables | NA | NA | NA | |
| (h) Net capital turnover ratio | Revenue from Operations | Current Assets - Current Liabilities | (2.9726) | NA | NA | During the current financial year; company has started its operations. |
| (i) Net profit ratio | Profit for the period | Revenue from Operations | 1.89% | NA | NA | During the current financial year; company has started its operations. |
| (j) Return on Capital | Earnings | Tangible Net | 5.14% | NA | NA | During the |

| | | | | | | |
|--------------------------|---|---|------|------|------|---|
| employed | before interest and taxes | Worth + Total Debt + Deferred Tax Liability | | | | current financial year; company has started its operations. |
| (k) Return on investment | Income from Investment + Capital Appreciation | Average Investments | N.A. | N.A. | N.A. | |

- g) 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.
- h) The Company does not have any Charges on the Assets of the Company.
- i) 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.
- j) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

41. Disclosure of material impact of COVID-19 pandemic

The Company is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the Transmission Service Agreements signed with LTTCs which provide for recovery of the annual transmission charges based on system availability.

Due to the COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government guidelines, transmission units and services were exempted from the said lockdown restrictions. There has been no significant impact due to the pandemic on the availability of the transmission system of the Company.

In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31 March 2022.

Based on the above, there has been no material impact on the operations or profitability of the company during the financial year due to the pandemic.

The Company has assessed the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of Property Plant and equipment, trade receivables and others as at Balance Sheet date and the management is of the view that there are no material adjustments required in the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

42. Recent Pronouncements

On 23.03.2022, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 01.04.2022. The Company will assess and implement the amendments to Division II in the FY 2022-23, as applicable.

43. a) Figures have been rounded off to nearest rupee in lakhs up to two decimals.
b) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached.

For and on behalf of Board of Directors

For Bahl Chandhoke & Company
Chartered Accountants,
Firm Regn. No. 002537N

**RAJINDER
SINGH SIDHU**
Digitally signed by
RAJINDER SINGH
SIDHU
Date: 2022.05.10
17:11:36 +05'30'

CA R.S. Sidhu
Partner
Mem. No. 089921
Place: New Delhi
Date: 10th May 2022

**SUNIL
AGARWAL**
Digitally signed by
SUNIL AGARWAL
Date: 2022.05.10
15:02:29 +05'30'
SUNIL AGRAWAL
(Chairman)
DIN: 09048015
Place: Gurugram
Date: 10th May 2022

**K.V. SAMPATH
KUMAR**
Digitally signed by K.V.
SAMPATH KUMAR
Date: 2022.05.10 14:52:26
+05'30'
K V SAMPATH KUMAR
(Chief Financial Officer)
PAN : AEHPK0241G
Place: Jammu
Date: 10th May 2022

**Ashok
Kumar
Singhal**
Digitally signed by
Ashok Kumar Singhal
Date: 2022.05.10
14:59:51 +05'30'
A.K. SINGHAL
(Director)
DIN: 08578420
Place: Gurugram
Date: 10th May 2022

**PRIYAPRE
ET KAUR**
Digitally signed by
PRIYAPREET KAUR
Date: 2022.05.10
14:57:45 +05'30'
PRIYAPREET KAUR
(Company Secretary)
M. NO. : A52024
Place: Gurugram
Date: 10th May 2022