

# POWERLINKS TRANSMISSION LIMITED.

(A Joint Venture of **TATA POWER** & **POWERGRID**)

An ISO-9001; ISO-14001 and OHSMS-45001 Certified Company



**NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING of POWERLINKS TRANSMISSION LIMITED** will be held on Friday, the 7<sup>th</sup> day of July 2023 at 3 p.m. through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

## Ordinary Business

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 together with the reports of Board of Directors and the Auditors thereon.
- 2 To declare a Dividend on Equity Shares for the financial year ended 31<sup>st</sup> March 2023.
- 3 To appoint a Director in place of Mrs. Manju Gupta(DIN:08820741), who retires by rotation and being eligible, offers herself for re-appointment.

## Special Business

- 4 **Re-Appointment of Mrs. Kiran Gupta (DIN: 08196580) as CEO & Executive Director**

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mrs. Kiran Gupta(DIN08196580)] as the CEO&ED of the Company for the period commencing from 1<sup>st</sup> November, 2022 to 31<sup>st</sup> October, 2025, as approved by the Board of Directors, upon the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mrs. Kiran Gupta(DIN08196580).

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RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

## 5 Ratification of Cost Auditor's Remuneration

To determine remuneration of Cost Auditor and for this purpose to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 of the Companies Act 2013 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 1.00 Lakh (Rupees One Lakh) plus applicable taxes, to M/s Ramanath Iyer & Co., Cost Accountants, appointed by the Board, as Cost Auditor of the Company, to conduct audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2024.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary and or expedient to give effect to this resolution.”

Date: 20th April 2023  
Place: New Delhi

**By Order of the Board**

**Registered Office:**  
10th Floor, DLF Tower A,  
District Centre Jasola  
New Delhi-110 025

  
**(Ajay Kalsie)**  
Company Secretary  
ACS 13810

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## NOTES:

1. In view of the outbreak of COVID-19 and its continuation in the current year, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8<sup>th</sup> April 2020, General Circular No. 17/ 2020 dated 13<sup>th</sup> April 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19” and General Circular No. 20/ 2020 dated 5<sup>th</sup> May 2020, in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)”, General Circular No. 02/2021 dated 13<sup>th</sup> January 2021, General Circular No. 19/2021 dated 08<sup>th</sup> December 2021, General Circular No. 02/2022 dated 05<sup>th</sup> May 2022 and General Circular No. 10/2022 dated 28<sup>th</sup> December 2022 in relation to Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) have permitted the holding of the Annual General Meeting (AGM) through VC/OAVM, up to 30<sup>th</sup> September 2023 without the physical members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and MCA Circulars, the AGM of the Company is being held through VC/ OAVM on Friday, 7<sup>th</sup> day of July 2023 at 3.00 p.m. and voting for items to be transacted in the Notice for AGM only through show of hands. The deemed venue for the AGM shall be the registered office of the Company.
2. As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated 5<sup>th</sup> May 2020, the matters of Special Business as appearing at Item No. 4 to 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of the Notice.
3. The relative Explanatory Statement pursuant to Section 102 of the Act, in regard to the business as set out in Item Nos. 4 to 5 above and the relevant details of the Directors seeking appointment/ re-appointment as set out in Item No. 3 as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, is annexed hereto as Annexure – A.
4. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

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- 5 Corporate Members are requested to send a duly certified copy of its Board Resolution authorizing their representative to attend and vote at the AGM on their behalf.
- 6 The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at [ajaykalsie@tatapower.com](mailto:ajaykalsie@tatapower.com)
- 7 In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 8 The Company is sending this AGM Notice along with the Annual Report for FY23 in electronic form to those Members whose e-mail addresses are registered with the Company.
- 9 During the AGM, Members may access the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act by writing to the Company at [ajaykalsie@tatapower.com](mailto:ajaykalsie@tatapower.com)
- 10 As per section 107 of the Companies Act, 2013 above resolutions will be passed with help of voting by a show of hands as it is easier and more straight forward on a practical level at the AGM. In case of a demand for a poll, the members shall cast their vote on the resolutions only by sending emails through their email addresses that are registered with the Company. The said emails to be sent to [ajaykalsie@tatapower.com](mailto:ajaykalsie@tatapower.com)
- 11 The instructions for Members attending the AGM through VC/OAVM are as under:
  - The Members will be provided with a facility to attend the AGM through VC/OAVM through the Microsoft Teams platform and they may access the same from the link sent in their e mail. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM and pose questions.
  - Members may join the AGM through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to allow camera and to use Internet with a good speed to avoid any disturbance during the AGM. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
  - The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, for all those Members who are present during the AGM through VC/OAVM.

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- Only those Members who will be present at the AGM through VC/OAVM facility and are otherwise not barred from doing so, shall be eligible to vote at the AGM.
- Members who need assistance before or during the AGM may contact Mr. Ajay Kalsie, by e-mailing at [ajaykalsie@tatapower.com](mailto:ajaykalsie@tatapower.com)

By Order of the Board of Directors,

Ajay Kalsie  
Company Secretary  
ACS 13810

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## **EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 5 of the accompanying Notice dated 20<sup>th</sup> April, 2023.

### **Item No.4 :**

Mrs. Kiran Gupta was re-appointed as CEO&ED for another term of three years with effect from 1<sup>st</sup> November 2022 upto 31<sup>st</sup> October, 2025 by the Board of Directors of the Company, in their meeting held on 12<sup>th</sup> October, 2022. The said appointment was subject to approval by the shareholders of the Company. The Board found her performance as CEO&ED over the last two years to be satisfactory and has hence reappointed her for another term of three years.

### ***Brief resume of Mrs. Kiran Gupta***

Mrs. Kiran Gupta is an Electrical Engineer from Delhi College of Engineering and is 'Gold' Medallist from Delhi University. Mrs. Gupta has 30 years of experience in Power Sector.

Prior to her present role as CEO & Executive Director of the Company, she was the Head (Customer Service & KCG), Tata Power-Delhi Distribution Ltd, (TPDDL), a Public Private Partnership of Tata Power with Delhi Government. During her tenure of 17 years with TPDDL, she headed diverse areas of responsibilities such as Design & Engineering, Contracts, Operations & Enforcement, Policy Advocacy, Performance Assurance (for 1.7mn customers) and Load growth/Electrification for big Pvt/Govt entities under Commercial. She has been Instrumental in driving several transformational changes through Technological interventions like ADMS, BCM, Demand Side Management and delivering Value added services to enhance customer experience.

Mrs. Gupta started her career with Tata Consulting Engineers Limited in the year 1994 and led numerous Utility and Industrial projects including the Technical feasibility study for erstwhile DVB before privatization of electricity distribution in New Delhi under 'PPP' model.

Mrs. Gupta has done Technology Innovation program at IIM-Bangalore and 'Leadership Institute Program' by BCG. She is certified for 'Total Quality Management' and 'Tata Business Excellence Model' (TBEM) and has been conferred with 'Best TBEM Assessor' award. She is also a member of Committee for Members in Industry & Business (CMI&B) framed by The Institute of Chartered Accountants of India (ICAI) to identify and address the Regulatory & Tariff related issues in the entire Power sector.

Mrs. Gupta also holds Directorships on the Boards of few group companies of Tata Power such as Tata Power Trading Company Limited, Mandakini Coal Company Limited,

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Dagachhu Hydro Power Corporation and South East UP Power Transmission Company Limited .

The Directors are of the view that the appointment of Mrs. Gupta as the CEO & Executive Director will be in the interest of the Company and the remuneration payable to her is commensurate with her ability and experience.

The agreement entered into between the Company and Mrs. Gupta as CEO & Executive Director contains the following terms and conditions:

## **1 Tenure of the Agreement**

Subject as hereinafter provided; this Agreement shall remain in force from 1<sup>st</sup> November 2022 up to 31<sup>st</sup> October 2025 unless terminated earlier. This Agreement may be terminated earlier by either Party by giving to the other Party three months' notice of such termination or the Company paying three months' remuneration in lieu of such notice.

## **2 Nature of Duties**

The CEO & Executive Director shall devote her whole time and attention to the business of the Company and carry out such duties as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers as may be assigned to her subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

The CEO & Executive Director shall not exceed the powers so delegated by the Board as above.

The CEO & Executive Director undertakes to employ the best of her skill and ability to make her utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to her from time to time by the Board.

## **3 Remuneration**

So long as the CEO & Executive Director performs her duties and conforms to the terms and conditions contained in this Agreement, she shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

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## **Salary:**

i) Remuneration: The remuneration is in line with the Tata Power's HR Manuals as adopted by the Company.

a) Basic Salary: During her tenure, upto a maximum basic salary of ₹ 2,88,161/- per month, with authority to the Board or Board designated Committee to fix her salary within the said maximum amount from time to time. The annual increments which will be effective 1<sup>st</sup> April each year, will be decided by the Board or the said Committee, will be merit-based and take into account the Company's performance as well.

b) Flexi allowances: upto 80% of basic salary as mentioned under clause (a) above as per Compensation Policy applicable to her grade MB2.

c) Perquisites, Allowances & Benefits: as per Compensation Policy, Policy on Car & related Benefits, and Hard Furnishing Policy applicable to her grade MB2.

d) Contribution to Provident Fund @12% of Basic and Gratuity Fund @ 4.81% of Basic as per relevant Statute and Superannuation Fund @15% of Basic as per Compensation Policy applicable to her grade MB2.

e) The CEO & Executive Director shall be entitled to leave and leave encashment in accordance with the Rules of the Company.

f) Performance Bonus: It is the Variable pay which is decided based on Company's performance and individual performance. The specific amount payable to the CEO & Executive Director will be based on certain performance criteria and such other parameters as may be considered appropriate from time to time, evaluated by the Board or the Committee thereof duly authorized in this behalf and will be payable annually.

ii) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the CEO & Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the CEO & Executive Director remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

Your Directors recommend passing the resolutions accordingly.

Except Mrs. Gupta and her relatives, none of the other Directors/ key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the resolution set out at Item Nos. 4 of the Notice.

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## **Item No.5**

In terms of Section 148 of the Companies Act 2013, the remuneration of the Cost Auditor is to be ratified by the Shareholders of the Company.

M/s Ramanath Iyer & Co. were appointed as, Company's Cost Auditor for FY 2023-24. They have been appointed for a fee of Rs 1.00 Lakh plus applicable taxes and actual out of pocket expenses by the Board of Directors on the recommendation of the Audit Committee subject to Shareholders' approval.

M/s Ramanath Iyer and Co. have furnished certificate regarding their eligibility for appointment as Cost Auditors of the Company and have vast experience in the field of cost audit.

The Shareholders may ratify the remuneration of the Cost Auditor as above.

Your Directors recommend passing the resolution accordingly.

None of the Directors or the key managerial person of the Company or their relatives is concerned or interested in the said resolution.

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## **Details of the Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting (In pursuance of Secretarial Standard - 2 on General Meetings)**

| <b>Name of Director</b>                                   | <b>Mrs Manju Gupta</b>  | <b>Mrs. Kiran Gupta</b>   |
|---|---|---|
| <b>Date of Birth (Age)</b>                                | 11/02/1967<br>(56)  | 7 <sup>th</sup> January 1972<br>(51)  |
| <b>Date of Appointment</b>                                | 7th August 2020   | 1 <sup>st</sup> November 2022   |
| <b>Relationship with other Directors, Manager and KMP</b> | Mrs Manju Gupta is not related to any other Director or KMP of the Company.   | Mrs. Kiran Gupta is not related to any other Director or KMP of the Company.  |
| <b>Expertise in specific functional areas</b>             | <p>Mrs. Manju Gupta is Chief General Manager-Corporate Monitoring Group in POWERGRID. She has a diverse experience of more than 35 years in power sector. She has been associated with POWERGRID since 1991 and has handled multi-disciplinary functions like, Commercial, Regulatory Affairs, Law, Consultancy, Distribution Management System, System Planning and Central Transmission Utility in POWERGRID under various capacities. She has also served in NTPC for 3 years prior to joining POWERGRID. She has authored technical papers in various forums.</p> | <p>Mrs. Kiran Gupta has 30 years of experience in Power Sector. Prior to her present role in the Company as CEO &amp;ED, she was the Head (Customer Service &amp; KCG), Tata Power-Delhi Distribution Ltd, (TPDDL).</p> <p>During her tenure of 17 years with TPDDL, she headed diverse areas of responsibilities such as Design &amp; Engineering, Contracts, Operations &amp; Enforcement, Policy Advocacy, Performance Assurance (for 1.7mn customers) and Load growth/Electrification for big Pvt/Govt entities under Commercial. She has been Instrumental in driving several transformational changes thru' Technological interventions like ADMS, BCM, Demand Side Management and delivering Value added services to enhance customer experience.</p> <p>Mrs. Gupta started her career with Tata Consulting Engineers Limited in the year 1994 and led numerous Utility and Industrial projects including the Technical feasibility study for erstwhile DVB before privatization of electricity distribution in New Delhi under 'PPP' model.</p> |

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|  |  |   |
|--|--|---|
| <b>Qualifications</b>  | B.E. (Electrical) from Delhi College of Engineering  | Electrical Engineer from Delhi College of Engineering and is 'GOLD' Medallist from Delhi University.<br><br>Mrs. Gupta has done Technology Innovation program at IIM-Bangalore and 'Leadership Institute Program' by BCG. She is certified for 'Total Quality Management' and 'Tata Business Excellence Model'. She has also been conferred with the 'Best TBEM Assessor' award. She is also member of Committee for Members in Industry & Business (CMI&B) framed by ICAI to identify and address the Regulatory & Tariff related issues in the entire Power sector. |
| <b>Directorships held in other companies (excluding foreign companies)</b> | <ol style="list-style-type: none"> <li>1. Bihar Grid Company Limited</li> <li>2. Powergrid Himachal Transmission Limited</li> <li>3. Powerlinks Transmission Limited</li> <li>4. Powergid Parli Transmission Limited</li> <li>5. Vizag Transmission Limited</li> <li>6. Powergrid Warora Transmission Limited</li> <li>7. Powergrid Jabalpur Transmission Limited</li> </ol> | <ul style="list-style-type: none"> <li>• Tata Power Trading Company Limited (TPTCL)</li> <li>• Mandakini Coal Company Limited</li> <li>• Powerlinks Transmission Limited</li> <li>• South East UP Power Transmission Ltd.</li> </ul>  |
| <b>Committee Chairmanships/ Memberships (Other Companies)</b>              | <ul style="list-style-type: none"> <li>• Member, Audit Committee, Powerlinks</li> <li>• Chairperson, CSR Committee, Powerlinks</li> </ul>  | <ul style="list-style-type: none"> <li>• Member, CSR Committee. TPTCL</li> <li>• Member, Audit Committee- TPTCL</li> <li>• Member, CSR Committee Powerlinks</li> <li>• Member, CSR Committee, South East UP Power Transmission Ltd.</li> </ul>  |
| <b>Terms &amp; Conditions of appointment</b>                               | NA   | Reappointed as CEO & Executive Director, terms of appointment placed in the notice.   |
| <b>Remuneration</b>  | Nil  | As placed in Notice   |
| <b>No. of meetings of the Board attended during the year</b>               | 5  | 5   |

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|  |            |            |
|--|------------|------------|
| <b>No. of shares held:</b><br><b>(a) Own</b><br><b>(b) For other persons on a beneficial basis</b> | Nil<br>Nil | Nil<br>Nil |
|--|------------|------------|

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## BOARD'S REPORT

To the Members,

The Directors are pleased to present the Twenty Second Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March 2023.

### 1. FINANCIAL RESULTS

Figures in Rs crore

|  | <b>FY23</b>  | <b>FY22</b>  |
|--|--------------|--------------|
| (a) Revenue from Operations            | 128.61       | 138.70       |
| (b) Other Income                       | 10.22        | 5.45         |
| (c) Total income                       | 138.83       | 144.16       |
| (d) <b>Total Expenditure</b>           | <b>19.99</b> | <b>16.39</b> |
| (e) Profit before Tax                  | 117.38       | 126.27       |
| (f) Tax Expenses                       | 36.30        | 34.88        |
| (g) <b>Net Profit/(Loss) after Tax</b> | <b>81.08</b> | <b>91.39</b> |

### 2. DIVIDEND

The Directors are pleased to recommend final dividend of 4% (Re 0.40 per share of Rs. 10 each) amounting to Rs. 18.72 crore for FY23 subject to approval of Members. The Board has declared an interim dividend @ 12% amounting to Rs. 56.16 crore in March 2023. Thus, the aggregate dividend is 16% (Rs. 1.60 each) amounting to Rs. 74.88 crore for FY23 (Rs. 79.56 crore for FY22). The dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

There is no amount lying in the Unpaid Dividend Account of the company in respect of the last seven years and there is nil amount of Dividend, to be transferred by the company to the Investor Education and Protection Fund during the year.

### 3. STATE OF COMPANY'S AFFAIRS: FINANCIAL AND OPERATIONAL PERFORMANCE

#### • FINANCIAL

##### *Operating profit*

The Operating profit is at Rs. 108.62 crore in FY23 as against Rs 122.31 crore in FY22.

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## *Other Income*

Other income is Rs 10.22 crore in FY23 as against Rs 5.45 crore in FY22. Current period income is higher due to (a) higher income on surplus fund by Rs 2.12 Crs as timely recovery of TSC and increase in interest rates and (b) higher surcharge income by Rs 2.43 Crs, as higher collection by Rs 0.48 crs and differential surcharge of Rs1.95 crs recognised after reconciliation with CTUIL

## *Earnings per share*

During FY23, earning per share was at Rs 1.73 as against Rs 1.95 in the previous year.

No Material changes and commitments have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

## • OPERATIONS

The availability of transmission line was maintained at 99.92% for Eastern Region and 99.87% for Northern Region during FY23. The overall availability of transmission line was maintained at 99.9% for FY 23 as against 99.75% as per CERC norms.

## 4. NATURE OF BUSINESS AND PROJECTS UNDER EXECUTION

The Company was established to be an inter-state transmission company evacuating power from Tala- Hydro Power Project in Bhutan to parts of Eastern and Northern India. There has been no change in the nature of business of the Company during the period under review.

The Company has executed few Capex projects due to ageing of lines and a Deposit work(DFCC).

## 5. TRANSFER TO RESERVES

During the current financial year, the Board has decided to transfer NIL amount to General Reserves after appropriating dividend and self-insurance reserve.

## 6. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

The Company does not have any subsidiaries/JV/Associates and there have been no additions or removal thereof during FY23.

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## 7. SHARE CAPITAL

The paid-up share capital of the Company as on 31<sup>st</sup> March 2023 was Rs.468 crore (Rupees Four hundred sixty-eight crore). There has been no change in the paid-up share capital during the year.

As per The Companies (Prospectus and Allotment of Securities) Rules, 2014, Every holder of securities who

- a) intends to transfer such securities on shall get such securities dematerialised before the transfer; or
- b) subscribes to any securities of the company (whether by way of private placement or bonus shares or rights offer) shall ensure that all his existing securities are held in dematerialized form before such subscription.

Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form.

## 8. SHARES

The Company has not bought back any of its securities or made any sweat equity issue, bonus issue or provided any Stock Option Scheme to the employees during the year under review.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i. Change in Board Composition

There was no change in the Board of Directors during the year.

Mrs. Kiran Gupta was re-appointed as CEO&ED for another term of three years with effect from 1<sup>st</sup> November 2022 upto 31<sup>st</sup> October, 2025 by the Board of Directors of the Company, in their meeting held on 12<sup>th</sup> October, 2022. The said appointment was subject to approval by the shareholders of the Company. The Board found her performance as CEO&ED over the last two years to be satisfactory and has hence reappointed her for another term of three years.

In accordance with the requirements of the Act and the Company's Articles of Association, Mrs. Manju Gupta retires by rotation being longest in office and is eligible for re-appointment. Members' approval is being sought at the ensuing Annual General meeting (AGM) for her re-appointment. The Board recommends the re-appointment of Mrs. Manju Gupta as Director.

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## ii. The Policy on appointment of directors

Policy on Board Diversity and Directors' Attributes is reproduced in Annexure-I forming part of this report.

## iii. Number of Board Meetings

Five Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held were as follows:

21st April, 2022, 13<sup>th</sup> July 2022, 12<sup>th</sup> October 2022, 16<sup>th</sup> January 2023 and 27<sup>th</sup> March, 2023.

Details of meeting attended by the Directors are given below:

| Name of the Director  | Designation              | No. of Board Meetings attended during the year 2022-23 |
|-----------------------|--------------------------|--|
| Mr. K Sreekant        | Chairman                 | 4  |
| Mr. Ajay Kapoor       | Director                 | 3  |
| Mrs. Manju Gupta      | Director                 | 5  |
| Mr. Ganesh Srinivasan | Director                 | 4  |
| Mrs. Kiran Gupta      | CEO & Executive Director | 5  |

## iv. Meeting of Independent Directors

The Company is not required to have independent Directors.

## v. Key Managerial Personnel

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of your Company:

Mrs. Kiran Gupta, reappointed as CEO & Executive Director w.e.f 1<sup>st</sup> November 2022 for another term of three years.

Ms. Nita Jha had resigned as CFO wef closing hours of 27<sup>th</sup> March, 2023 and Mr. Avinash Chander Dhawan was appointed as CFO wef 28<sup>th</sup> March, 2023.

Ms. Nita Jha, Chief Financial Officer upto 27<sup>th</sup> March 2023

Mr. Avinash Chander Dhawan, wef 28<sup>th</sup> March 2023

Mr. Ajay Kalsie, Company Secretary, wef 1<sup>st</sup> November, 2021.

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## 10. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act, the Nomination & Remuneration Committee is responsible for recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees. In line with this requirement, the Board has adopted the Remuneration Policy for Non-Executive Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure II forming part of this report. The Company has dissolved the Nomination & Remuneration Committee on 14<sup>th</sup> October 2020 as it is no longer required under the terms of Section 149 of the Act to keep a Nomination & Remuneration Committee.

## 11. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

- Audit Committee (AC)
- Corporate Social Responsibility Committee (CSR Committee)

### ***Audit Committee of Directors***

The functions of the committee can be grouped under the following three broad heads –

- To oversee the issue of reliable financial reports by the company.
- To oversee the control processes for the management of risk and for compliance with the laws.
- Other matters required by the laws, such as overseeing independent valuations and approving related party transactions.

**Composition of the Audit Committee of Directors (Audit Committee) as on 31<sup>st</sup> March 2023 the year is as under:**

| Sl. No. | Name of the Director      | Category                |
|---------|---------------------------|-------------------------|
| 1.      | Mr. Ajay Kapoor, Chairman | Non-Executive Directors |
| 3.      | Mrs. Manju Gupta          |                         |
| 4.      | Mr. Ganesh Srinivasan     |                         |

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:  
20<sup>th</sup> April 2022, 13<sup>th</sup> July 2022, 12<sup>th</sup> October 2022 and 12<sup>th</sup> January 2023.

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Details of Audit Committee meetings attended by the Directors are given below:

| Name of the Director | No. of Meetings attended during the year 2022-23 |
|----------------------|--|
| Mr. Ajay Kapoor      | 4  |
| Ganesh Srinivasan    | 3  |
| Mrs. Manju Gupta     | 4  |

## ***Nomination and Remuneration Committee (NRC)***

The Nomination and Remuneration Committee (NRC) has been dissolved by the Board on 14<sup>th</sup> October 2020 as the Company is not required to have the NRC in terms of provisions of Section 178 of the Act. The Board will exercise the powers earlier delegated to the NRC, such as recommendation for Board Composition and Succession, Evaluation, Remuneration and Development related, Review of HR Strategy, Philosophy and Practices.

## ***Corporate Social Responsibility Committee (CSR Committee)***

The CSR Committee is responsible for-

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act or as may be prescribed by the rules thereto;
- Recommendation of the amount of expenditure to be incurred on the activities referred to in the above clause and
- Monitoring the execution of Corporate Social Responsibility Policy and Annual of the Company from time to time.

Composition of the Corporate Social Responsibility Committee (CSR) as on 31<sup>st</sup> March 2023 is as under:

| Sl. No. | Name of the Director          | Category                 |
|---------|-------------------------------|--------------------------|
| 1       | Mrs. Manju Gupta, Chairperson | Non-Executive Director   |
| 2       | Mr. Ajay Kapoor               | Non-Executive Director   |
| 3       | Mrs. Kiran Gupta              | CEO & Executive Director |

4 Meetings of CSR Committee were held during the year. The dates on which the said meetings were held are as follows:  
20<sup>th</sup> April 2022, 13<sup>th</sup> July 2022, 12<sup>th</sup> October 2022 and 12<sup>th</sup> January 2023.

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Details of Corporate Social Responsibility Committee meeting attended by the Directors are given below:

| Name of the Director | No. of Meetings attended during the year 2022-23 |
|----------------------|--|
| Mrs. Manju Gupta     | 4  |
| Mr. Ajay Kapoor      | 4  |
| Mrs. Kiran Gupta     | 4  |

## 12. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board continues with the established process of evaluation of the performance of the Board, self-evaluation of individual Directors and of each of the statutorily required committees of the Board. After obtaining feedback from each Director about their views on the performance of the Board and other Directors, the Chairman of the Board summarizes the observations received from his colleagues. The summary of the evaluation of the Board's performance and of individual Directors is presented to the entire Board. Each Committee of the Board is also required to conduct a self-evaluation and to submit a summary report to the Board of the result of such evaluation.

## 13. REGULATORY AND LEGAL

The Company has received Tariff Order on 2<sup>nd</sup> November 2021 for truing up FY 2015-19 and Tariff order for period 2020-24.

## 14. RISK MANAGEMENT FRAMEWORK

The Company continues with its standardized Risk Management Process and System, which is based on the Risk Management Policy of the Company. Through a web-based system, Risk plans for all identified risks are monitored. Quarterly meetings to review major risks and identify new risks are held by the Risk Management Review Committee (RMRC) chaired by the CEO & Executive Director.

The Audit Committee of the Company monitors and reviews the top risks of the Company on a quarterly basis.

### **Internal Financial Control Systems and their adequacy:**

The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. All processes of the Company classified under vital, essential and desirable, are based on the analysis of risk

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and process impact on Company's Operations. During the year, the Company engaged M/s Mazars as Internal Auditors.

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

## 15. INTEGRATED MANAGEMENT SYSTEM

The Company has adopted Integrated Management System comprising of Quality Management System ISO 9001:2015, Environment Management System ISO 14001:2015 and Occupational Health & Safety Management System – ISO 45001:2018 and is certified by BSI India. The Company has been re-certified under these Standards in the month of March 2021 for the next three years. Surveillance Audit on IMS was conducted successfully in March, 2023, with no non-conformity.

## 16. SAFETY – CARE FOR OUR PEOPLE

Safety Statistics

| Sl. No. | Safety Statistics                           | FY23 | FY22 |
|---------|---|------|------|
| 1       | No. of Mock Drills                          | 16   | 14   |
| 2       | Evaluation of personal protective equipment | 28   | 31   |
| 3       | Inspection of first aid boxes               | 32   | 32   |

Total Injuries Frequency Rate per million manhours (TIFR) was Zero Million Hours.

## 17. CORPORATE SOCIAL RESPONSIBILITY

Your Company has been actively working on the following thrust areas in CSR- Education, Health, Livelihood and Employability.

The CSR Policy of the company is based on the thrust Areas and programs in line with Schedule – VII of the Act with timelines and outcome indicators. The same has also been approved by the Board of Directors as recommended by the CSR Committee of the Company.

- Details of CSR Policy and CSR spend are provided in Annexure III, forming part of this report.

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## **18. CARE FOR OUR ENVIRONMENT & SUSTAINABILITY**

Impact of Powerlinks' business on environment is minimal. The Company ensures minimum cutting of trees falling under its lines of operations. The Company carries out tree plantation drives under its Tree Mitra initiative and also on World Environment Day.

The Company organizes programmes from time to time on "Safety, Health and Environment Awareness" for employees of the Company.

## **19. HUMAN RESOURCES, PREVENTION OF SEXUAL HARASSMENT**

Your Company is an equal employment opportunity employer and is committed to creating a healthy work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment.

Under the Policy on Prevention of Sexual Harassment of Employees, the Company has an Internal Complaints Committee to consider and redress complaints received under the policy.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY23

- No. of Complaints received: Nil
- No. of complaints disposed-off: Not Applicable
- No. of cases pending for more than 90 days: Not Applicable
- No. of workshops or awareness program against sexual harassment carried out: 2
- Nature of action taken by the employer or District Officer: Nil

The Industrial relations continue to be cordial.

## **20. BORROWINGS**

The Company has not raised new borrowings during the year ended 31st March 2023.

## **21. CREDIT RATING**

The Company has achieved CRISIL AAA/stable on its Long-term loans and CRISIL A1+ for its Short-term loans and Working Capital facilities for financial year ended 31<sup>st</sup> March 2023.

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## 22. FOREIGN EXCHANGE EARNINGS AND OUTGO

| Particulars   | Rs crore |      |
|---|----------|------|
|   | FY23     | FY22 |
| Foreign Exchange Outflow mainly on account of:              |          |      |
| -Interest on foreign currency borrowings, NRI dividends     | -        | -    |
| -Management Fees for International Finance Corporation loan | -        | -    |

## 23. DEPOSITS FROM PUBLIC

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (**the Act**) and the Companies (Acceptance of Deposits) Rules, 2014, and as such no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

## 24. DISCLOSURE OF PARTICULARS OF EMPLOYEES

Particulars of employees, as required under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of this report. However, this report is being sent to all shareholders of the Company, excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## 25. DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Particulars required by Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 on Conservation of Energy and Technology Absorption are given in the prescribed format as Annexure- IV forming part of the report

## 26. RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Details of Related Party Transactions as per AOC-2 are provided in Annexure V forming part of the report.

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## 27. LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans or provided any guarantees and securities under Section 186 of the Act.

The Company falls within the scope of the definition “infrastructure company” as provided by the Companies Act, 2013 (‘Act’). Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to Loans, Guarantees and Investments.

The details of other investments are provided in the schedules to the financial statements.

## 28. ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return in Form MGT-7 for the year under review is available on <http://powerlinks.co.in/pdf/ANNUAL%20RETURN%20NEW%20FY23.pdf> Return.

## 29. AUDITORS

Members of the Company at the AGM held on 5<sup>th</sup> July, 2022 approved the appointment of M/s S. R. Batliboi, LLP, Chartered Accountants (Registration No. 301003E/E300005), as the Statutory Auditors of the Company for a period of five years (financial year 2023 to financial year 2027), who shall hold office from the conclusion of the twenty first Annual General Meeting held on 5<sup>th</sup> July 2022 till the conclusion of the twenty sixth Annual General Meeting to be held in the year 2027

## 30. AUDITORS' REPORT

M/s. S. R. Batliboi, LLP, Chartered Accountants, who are the statutory auditors of your Company, have given their Audit Report. There are no qualifications reservations, or adverse remarks or disclaimer in the Audit Report.

Details of frauds reported by Auditors under Sub Section (12) of Section 143 other than those which are reportable to the Central Government

During the year under review, no frauds reported to have been occurred, requiring reporting under Sub-Section 12 of Section 143 of the Companies Act, 2013.

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## **31. COST AUDITOR, COST AUDIT REPORT AND RECORDS**

Pursuant to the provisions of the Act, The Board has appointed M/s Ramanath Iyer & Co., (Address- #808 Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi – 110034) practicing Cost Accountants, as Cost Auditors of the Company for the financial year ended 31<sup>st</sup> March 2024. A resolution seeking approval of the members for ratifying the remuneration payable to M/s Ramanath Iyer & Co., the Cost Auditors for FY 2023-2024, is provided in the Notice to the ensuing Annual General Meeting

In accordance with the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013, your Company carries out an audit of cost accounts relating to electricity every year. The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31<sup>st</sup> March, 2022, was filed within due date on 4<sup>th</sup> August, 2022 with the Ministry of Corporate Affairs. The Company has maintained proper cost records in accordance with Companies Act, 2013.

## **32. SECRETARIAL AUDIT REPORT**

M/s. Nirbhay Kumar & Associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for FY23. There are no qualification reservations, adverse remarks or disclaimer in the Secretarial Audit Report for the year under review. Secretarial Audit Report is given as Annexure VI.

The Company confirms compliance with the requirements of Secretarial Standards 1 and 2 and the MCA Circulars issued during the year in respect of COVID-19 pandemic.

## **33. VIGIL MECHANISM**

Pursuant to Section 177(9) of the Act, a vigil mechanism was established in the Whistle Blower Policy for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/Chairman of the Audit Committee of the Company.

## **34. DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management

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the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- 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 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 the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Board, its various committees and senior management have always emphasized the need for strict adherence to controls, reporting of non-compliance, transparency of decision making, accountability for actions, fair dealings and zero tolerance of corruption and unethical behaviour. The Directors are pleased to state that no significant departure from any of the above has been brought to light.

## 35. ACKNOWLEDGEMENTS

The Directors place on record their grateful thanks for the guidance and co-operation extended all through by the Ministry of Power, Ministry of Finance, Central Electricity Authority, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Power System Operation Corporation (POSOCO), and other concerned Government departments / agencies at the Central and State Level who are constantly providing us their active support.

The Board of Directors also extends its sincere thanks to Power Grid Corporation of India Ltd. (POWERGRID), and The Tata Power Company Ltd. for the support extended by them to the Company. The Board also extends its gratitude to POWERGRID for facilitating revenue collection for the Company.

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The Directors further wish to place on record their sincere thanks to the various national/ international Financial Institutions and Banks for the continued trust and confidence reposed by them by rendering continuous timely assistance and patronage for operation and maintenance of the project.

The Board of Directors also takes this opportunity to place on record its gratitude for the valuable contribution and the cooperation extended by each member of the POWERLINKS family.

On behalf of the Board of Directors,

Date: 20<sup>th</sup> April, 2023  
Place: Noida

Sd/-  
Ajay Kapoor  
Director  
DIN-00466631

Sd/-  
Kiran Gupta  
CEO & Executive Director  
DIN-08196580

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## Annexure-I: Policy on Board Diversity and Directors' Attributes (Ref.: Board's Report, para 9)

### 1. Objective

- 1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of Powerlinks Transmission Limited (the company).
- 1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

### 2. Attributes of directors

The following attributes need to be considered in considering optimum board composition:

- i) Gender diversity:  
Having at least one woman director on the Board.
- ii) Age  
The average age of board members should be in the range of 50-62 years.
- iii) Competency  
The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, operations of the company's business and other disciplines related to the company's business.

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## iv) Independence

The Company is not required to have independent directors under the provisions of the Companies Act, 2013 (the Act). The Board may decide on the same if the need arises.

### Additional Attributes

- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.
- The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.
- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its holding, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

On behalf of the Board of Directors,

Sd/-  
Ajay Kapoor  
Director  
DIN-00466631

Sd/-  
Kiran Gupta  
CEO & Executive Director  
DIN-08196580

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## Annexure-II: Remuneration Policy for Directors, Key Managerial Personnel and other employees (Ref.: Board's Report, para 10)

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Powerlinks Transmission Ltd. ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("**Act**"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("**NRC**") had considered the factors laid down under Section 178(4) of the Act, which are as under:

*"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*

*(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*

*(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"*

Key principles governing this remuneration policy are as follows:

### **Remuneration for independent directors and non-independent non-executive directors**

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual

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contributions at the meetings and contributions made by directors other than in meetings.

- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

## **Remuneration for managing director (“MD”)/ executive directors (“ED”)/ KMP/ rest of the employees<sup>1</sup>**

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be
  - ❖ Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
  - ❖ Driven by the role played by the individual,
  - ❖ Reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay,
  - ❖ Consistent with recognized best practices and
  - ❖ Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - ❖ The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - ❖ Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - ❖ In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - ❖ The company provides retirement benefits as applicable.
  - ❖ In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:

---

<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

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- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.
- ❖ The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

## **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

## **Policy implementation**

The Board is responsible for approving and overseeing implementation of the remuneration policy. The powers delegated to NRC will be exercised by the Board after dissolution of the NRC.

On behalf of the Board of Directors,

Sd/-  
Ajay Kapoor  
Director  
DIN-00466631

Sd/-  
Kiran Gupta  
CEO & Executive Director  
DIN-08196580



## Annexure-III- Annual Report on CSR Activities for FY 2022-23: (Ref.: Board’s Report, para 17)

### Annual Report on CSR Activities for FY 2022-23

**1. Brief outline on CSR Policy of the Company:**

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. Powerlinks has been actively working in the following thrust areas in CSR:  
Education and Employability, Health care, Availability of Safe drinking Water, Eradicating hunger, poverty and malnutrition, and Environmental Sustainability and Animal Care

**2. Composition of CSR Committee (As on 31<sup>st</sup> March 2023):**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|--------------------------------------|--|--|
| 1.      | Mrs. Manju Gupta | Non- Executive Director/ Chairperson | 4  | 4  |
| 2.      | Mr. Ajay Kapoor  | Non-Executive Director/ Member       | 4  | 4  |
| 3.      | Mrs. Kiran Gupta | CEO & Executive Director/ Member     | 4  | 4  |

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company**

<https://www.powerlinks.co.in/pdf/CSR%20Policy%20 Strategy%20Final%2020-21.pdf>

# POWERLINKS TRANSMISSION

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An ISO-9001; ISO-14001 and OHSMS-45001 Certified Company

4. **Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable**

Not Applicable

5. (a) **Average net profit of the Company as per sub-section (5) of Section 135): ₹ 1,06,39,38,000 (as per Annexure '1')**

(b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135): ₹ 2,12,79,000**

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA/ Nil**

(d) **Amount required to be set off for the financial year, if any: NA/ Nil**

(e) **Total CSR obligation for the financial year  $[(b)+(c)-(d)]$ : ₹ 2,12,79,000**

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 2,80,70,000**

(b) **Amount spent in Administrative Overheads: ₹ 30,000**

(c) **Amount spent on Impact Assessment, if applicable: NA**

(d) **Total amount spent for the Financial Year  $[(a)+(b)+(c)]$ : ₹ 2,81,00,000**

(e) **CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (₹)  |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135 |                  | Amount transferred to any fund specified under Schedule VII as per Second proviso to sub-section (5) of Section 135 |        |                  |
|  | Amount  | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| 2,13,00,000                                      | NA  | NA               | NA  | NA     | NA               |

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## (f) Excess amount for set off, if any:

| Sl. No.<br>(1) | Particular<br>(2)   | Amount (₹)<br>(3) |
|----------------|---|-------------------|
| i.             | Two percent of average net profit of the Company as per sub-section (5) of Section 135                      | 2,12,79,000       |
| ii.            | Total amount spent for the Financial Year   | 2,13,00,000       |
| iii.           | Excess amount spent for the Financial Year [(ii)-(i)]   | 21,000            |
| iv.            | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | NIL               |
| v.             | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | 21,000            |

## 7. Details of Unspent CSR amount for the preceding three financial years:

| 1<br>Sl. No. | 2<br>Preceding Financial Year | 3<br>Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (₹) | 4<br>Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (₹) | 5<br>Amount Spent in the Financial Years (₹) | 6<br>Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any |                  | 7<br>Amount remaining to be spent in succeeding Financial Years (₹) | 8<br>Deficiency, if any |
|--------------|-------------------------------|---|---|--|---|------------------|---|-------------------------|
|              |                               |   |   |  | Amount (₹)  | Date of transfer |   |                         |
| 1            | FY-1 (2020-21)                | NA  | NA  | NA   | NA  | NA               | NA  | NA                      |
| 2            | FY-2 (2021-22)                | 68,00,000   | NIL   | 68,00,000                                    | 5,58,000 (Prime Minister's National Relief Fund)  | 5/5/2022         | NIL   | NIL                     |
| 3            | FY-3 (2022-23)                | NA  | NA  | NA   | NA  | NA               | NA  | NA                      |
|              | Total                         | 68,00,000   | NIL   | 68,00,000                                    | 5,58,000 (Prime Minister's National Relief Fund)  | 5/5/2022         | NIL   | NIL                     |

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8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No**
9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: NA**

**Sd/-  
Manju Gupta  
(Chairperson – CSR Committee)  
DIN:08820741**

**Sd/-  
Kiran Gupta  
(CEO & Executive Director)  
DIN:08196580**

Date: 20<sup>th</sup> April, 2023  
Place: Noida

# POWERLINKS TRANSMISSION LIMITED.

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Annexure  
'1'

## Calculation of Average Net profit of the Company for last three Financial Years.

(Figures in Rs. Lakhs)

| Financial year ended   | 2022     | 2021     | 2020          |
|--|----------|----------|---------------|
| Profit before tax  | 12627.04 | 11132.08 | 8301.39       |
| Less: Unrealised gain  | 19.00    | 17.48    | 105.89        |
| Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014                                     | 12608.04 | 11114.60 | 8195.50       |
| Average net profit of the company for last three financial years (as defined in explanation to sub-section (5) section 135 of the Act) |          |          | 10639.38      |
| <b>Prescribed CSR- 2% for FY 23</b>  |          |          | <b>212.79</b> |

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## Annexure IV: Conservation of Energy and Technology Absorption (Ref.: Board's Report, para 25)

### A. Conservation of Energy

- (i) the steps taken or impact on conservation of energy
  - Energy consumption at all locations is being monitored on monthly basis
  - All defective lights have been replaced by LED based fixtures.
- (ii) the steps taken by the company for utilizing alternate sources of energy  
NIL
- (iii) the capital investment on energy conservation equipment  
NIL

### B. Technology Absorption

Efforts, in brief, made towards Technology Absorption,

Benefits derived as a result of the above efforts like product improvement, cost reduction, product development or import substitution

- (i) The Company is using 'PatroSoft' app for patrolling of Towers and lines. This ensures that actual patrolling is carried out of all lines periodically and any defects in the Towers and Lines are detected and informed at the Control Centre timely. This has benefitted our System Improvement.
- (ii) The Company has initiated usage of 'Drone Technology' for patrolling of its lines under a pilot project.

In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:

- |   |     |
|---|-----|
| a) Technology Imported  | NIL |
| b) Year of Import   | NA  |
| c) Has technology been fully absorbed   | NA  |
| If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action |     |
| d) Expenditure on R & D (in Rs crore)   |     |
| (i) Capital   | NIL |
| (ii) Recurring  | NIL |
| Total   | NIL |

On behalf of the Board of Directors,

Sd/-  
Ajay Kapoor  
Director  
DIN-00466631

Sd/-  
Kiran Gupta  
CEO & Executive Director  
DIN-08196580

# POWERLINKS TRANSMISSION LIMITED.

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## Annexure-V: Related Party Transactions (Ref.: Board Report, para 26)

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

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of contracts/ arrangements/ transactions | Salient terms of contracts or arrangements or transactions including value, if any | Justification for entering into such contracts or arrangements or transactions | Date (s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|--|--|-----------------------------------|---------------------------------|---|
| NIL   |   |   |  |  |                                   |                                 |   |

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions   | Duration of contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including value, if any | Date (s) of approval by the Board, if any  | Amount paid as advances, if any |
|---|---|---|--|--|---------------------------------|
| The Tata Power Company Limited<br>(Holding Company)     | Payment for ICT services and fee for processing accounts payable, bank payment & Fixed assets | Ongoing   | As per agreed framework<br>Rs 81.73 lakh   | Ratification done by Audit Committee<br>20th April,2022, 13 <sup>th</sup> July 2022, 12 <sup>th</sup> October 2022 and 12 <sup>th</sup> January 2023 | NIL                             |
| Central Transmission Utility Ltd(CTUIL)                 | Transmission Service Charges including incentive, rebate and surcharge                        | 25 years till 2028                                | As per CERC Regulations<br>Rs 13375.82 Lakh  | Ratification done by Audit Committee<br>20th April,2022, 13 <sup>th</sup> July 2022, 12 <sup>th</sup> October 2022 and 12 <sup>th</sup> January 2023 | NIL                             |

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|  |   |          |  |   |     |
|--|---|----------|--|---|-----|
| Power Grid Corporation of India Ltd.<br><br>(we are its associate company) | Reimbursements by the Company / Leasing of premises | 25 years | As per contractual terms and agreed framework<br><br>Rs 7.17 lakh  | Ratification done by Audit Committee 20th April,2022, 13 <sup>th</sup> July 2022, 12 <sup>th</sup> October 2022 and 12 <sup>th</sup> January 2023 | NIL |
| Power Grid Corporation of India Ltd.<br><br>(we are its associate company) | Reimbursements/recovery of expenses                 |          | As per contractual terms and agreed framework<br><br>Rs 24.51 lakh | Ratification done by Audit Committee 20th April,2022, 13 <sup>th</sup> July 2022, 12 <sup>th</sup> October 2022 and 12 <sup>th</sup> January 2023 | NIL |

On behalf of the Board of Directors,

Sd/-  
Ajay Kapoor  
Director  
DIN-00466631

Sd/-  
Kiran Gupta  
CEO & Executive Director  
DIN-08196580

# POWERLINKS TRANSMISSION LIMITED.

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Annexure-VI: Secretarial Audit Report (Ref.: Board Report, para 32)

## **Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH 2023**

*[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

**POWERLINKS TRANSMISSION LIMITED**

10<sup>th</sup> Floor, DLF Tower A

District Center, Jasola

New Delhi - 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERLINKS TRANSMISSION LIMITED (CIN-U40105DL2001PLC110714)** (here in after called the company). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **POWERLINKS TRANSMISSION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by **Powerlinks Transmission Limited** ("The Company") for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the audit period.**)

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**Not applicable to the Company during the audit period.**)

# POWERLINKS TRANSMISSION LIMITED.

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**(v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period).**

**(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')**

**(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period).**

**(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the audit period).**

**(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period).**

**(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the audit period).**

**(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period).**

**(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period).**

**(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period).**

**(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; (Not applicable to the Company during the audit period).**

**(i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 ; (Not applicable to the Company during the audit period).**

**(vii) The Electricity Act, 2003**

**(viii) CERC Rules & other Regulations issued from time to time, viz, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010. The Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012, CERC (Procedure for calculating Revenue from Tariff & Charges) Regulations 2010, Fees and charges of Regional Load Dispatch Centre and other related matters Regulations.**

## **We further report that**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors and Non-Executive 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.

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

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obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

Majority decision is carried through unanimously while the dissenting members' views if any are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines

**We further report that** during the audit period the company has **not** undertaken the following activities.

- (i) Public/Right/Preferential issue of shares / sweat equity/ etc.
- (ii) Redemption / buy-back of securities -.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**For Nirbhay Kumar & Associates**

**Date – 11/04/2023**

**Place – New Delhi**

**Sd/-**

**Nirbhay Kumar**

**C.P. 7887**

**M. No. 11946**

**UDIN - F011946E000065538**

# POWERLINKS TRANSMISSION LIMITED.

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## 'Annexure A'

To,

The Members,

### **POWERLINKS TRANSMISSION LIMITED**

10<sup>th</sup> Floor, DLF Tower A

District Center, Jasola

New Delhi - 110025

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Nirbhay Kumar & Associates**

**Date – 11/04/2023**

**Sd/-**

**Place – New Delhi**

**Nirbhay Kumar**

**C.P. 7887**

**M. No. 11946**

**UDIN - F011946E000065538**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Powerlinks Transmission Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Powerlinks Transmission Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 IND AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 audit opinion on the Ind AS financial statements.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the



financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, in electronic mode on servers physically located in India so far as it appears from our examination of those books. The Company has process to take daily back-up of books of account, however, the logs of the back-up of books of account are kept for cyclic period of last 90 days. Accordingly, we are unable to obtain sufficient and appropriate evidence whether back-up of books of accounts have been taken from August 5, 2022 to January 19, 2023 as the same is not available for our verification;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



# S.R. BATLIBOI & Co. LLP

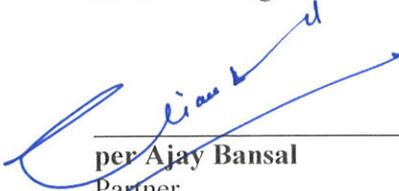
Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the Ind AS financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief no funds 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;  
  
b) The management has represented that, to the best of its knowledge and belief 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  
  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. As stated in note 14 to the Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting and the final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Ajay Bansal**  
Partner

Membership Number: 502243

UDIN: 23502243BGTIUI8108



Place of Signature: Gurugram

Date: April 20, 2023

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE**

**Re: Powerlinks Transmission Limited (‘the Company’)**

- (i) (a) (A) According to the information and explanation given by the management, there are no Property, Plant & Equipment in the company and accordingly, the requirements under Paragraph 3(i)(a)(A) of the Order is not applicable to the company.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) According to the information and explanation given by the management, there are no Property, Plant & Equipment in the company and accordingly, the requirements under Paragraph 3(i)(b) of the Order is not applicable to the company.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification and have been properly dealt with in the books of account.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and advances in the nature of loans to the companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company. There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the of Transmission of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:



# S.R. BATLIBOI & CO. LLP

Chartered Accountants

| Nature of the statute           | Nature of dues            | Amount (Rs. lacs) | Period to which the amount relates | Forum where the dispute is pending        |
|---------------------------------|---------------------------|-------------------|------------------------------------|---|
| Income Tax Act, 1961            | Dividend distribution Tax | 144               | Assessment Year 2007-08            | National Faceless Appellate Centre (NFAC) |
| Income Tax Act, 1961            | Income tax                | 47                | Assessment Year 2012-13            | Income Tax Appellate Tribunal (ITAT)      |
| Income Tax Act, 1961            | Income tax                | 95                | Assessment Year 2017-18            | National Faceless Appellate Centre (NFAC) |
| The Central Sales Tax Act, 1956 | Sales tax                 | 329.13            | Assessment Year 2009-10 to 2011-12 | Addn. Commissioner, Appeals               |

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.



# S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report for the period April 1, 2022 to September 30, 2022 have been considered by us.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) As represented to us, the group has six Core Investment Company as part of the group.
- (xvii) The Company has not incurred cash losses in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25 to the financial statements.

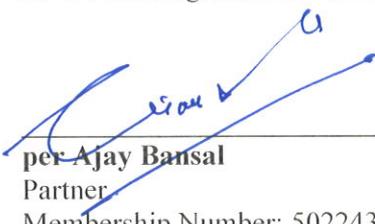
(b) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the financial statements.

(xxi) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause (xxi) of the Order is not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Ajay Bansal**

Partner

Membership Number: 502243

UDIN: 23502243BGTIUI8108



Place of Signature: Gurugram

Date: April 20, 2023

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF POWERLINKS TRANSMISSION LIMITED**

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

We have audited the internal financial controls with reference to financial statements of Powerlinks Transmission Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The 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 the 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls With Reference to these Financial Statements**

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

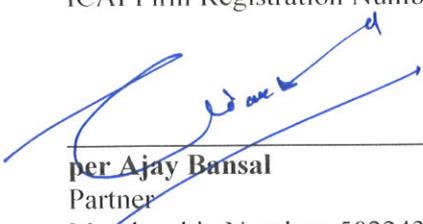
## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per **Ajay Bansal**

Partner

Membership Number: 502243

UDIN: 23502243BGTIUI8108



Place of Signature: Gurugram

Date: April 20, 2023

Powerlinks Transmission Limited  
Balance Sheet as at 31 March 2023

|   | Notes | As at              |                    |
|---|-------|--------------------|--------------------|
|   |       | 31 March 2023      | 31 March 2022      |
|   |       | INR lacs           | INR lacs           |
| <b>Assets</b>   |       |                    |                    |
| <b>Non-current assets</b>   |       |                    |                    |
| Right of use assets   | 6     | 668.94             | 737.25             |
| Financial assets  |       |                    |                    |
| (i) Non-Current Trade Receivables   | 10    | 1,202.25           | 605.79             |
| (ii) Service concession arrangement   | 3     | 73,648.25          | 74,667.49          |
| (iii) Other financial assets  | 4     | 36.86              | 36.86              |
| Non-current tax assets (net)  | 5     | 260.30             | 260.30             |
| Other non-current assets  | 7     | 8.43               | 8.43               |
| Deferred tax asset (net)  | 17    | 7,482.48           | 8,990.60           |
|   |       | 83,307.51          | 85,306.72          |
| <b>Current assets</b>   |       |                    |                    |
| Inventories   | 8     | 171.07             | 171.07             |
| Financial assets  |       |                    |                    |
| (i) Investments   | 9     | 10,306.70          | 8,075.48           |
| (ii) Trade receivables  | 10    | 2,216.90           | 2,997.88           |
| (iii) Cash and cash equivalents   | 11    | 27.17              | 380.15             |
| (iv) Other bank balances  | 12    | 2,425.42           | 2,262.12           |
| (v) Service concession arrangement  | 3     | 1,518.77           | 1,384.65           |
| (vi) Other financial assets   | 4     | 143.34             | 113.92             |
| Other current assets  | 7     | 163.07             | 161.12             |
|   |       | 16,972.44          | 15,546.39          |
| <b>Total assets</b>   |       | <b>1,00,279.95</b> | <b>1,00,853.11</b> |
| <b>Equity and liabilities</b>   |       |                    |                    |
| <b>Equity</b>   |       |                    |                    |
| Equity share capital  | 13    | 46,800.00          | 46,800.00          |
| Other equity  | 14    | 49,959.67          | 50,732.39          |
| <b>Total equity</b>   |       | <b>96,759.67</b>   | <b>97,532.39</b>   |
| <b>Non-current Liabilities</b>  |       |                    |                    |
| Financial Liabilities   |       |                    |                    |
| (i) Lease liability   | 15    | 747.02             | 713.59             |
| Provisions  | 16    | 184.67             | 181.88             |
|   |       | 931.69             | 895.47             |
| <b>Current liabilities</b>  |       |                    |                    |
| Financial liabilities   |       |                    |                    |
| (i) Trade payables  | 18    |                    |                    |
| Total outstanding dues of micro enterprises and small enterprises:                      |       | 137.11             | 1.48               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises: |       | 409.07             | 525.85             |
|   |       | 566.21             | 527.33             |
| (ii) Lease liability  | 15    | 660.72             | 619.19             |
| Provisions  | 16    | 17.90              | 17.22              |
| Current tax liabilities (net)   | 20    | 9.82               | -                  |
| Other current liabilities   | 19    | 1,333.94           | 1,261.51           |
| <b>Total current liabilities</b>  |       | <b>2,588.59</b>    | <b>2,425.25</b>    |
| <b>Total liabilities</b>  |       | <b>3,520.28</b>    | <b>3,320.72</b>    |
| <b>Total equity and liabilities</b>   |       | <b>1,00,279.95</b> | <b>1,00,853.11</b> |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No-301003E/E300005

per Ajay Bansal  
Partner

Membership No: 502243  
Place: Gurugram  
Date: 20 April 2023



For and on behalf of the Board of Directors

Ajay Kapoor  
Director

DIN: 00466631  
Place: Noida

Avinash Chander Dhanwan  
Chief Financial Officer

Place: Noida  
Date: 20 April 2023

Kiran Gupta  
Chief Executive Officer  
& Executive Director

DIN: 08196580  
Place: Noida

Ajay Kalsbe  
Company Secretary

Membership No. 13810  
Place: Noida  
Date: 20 April 2023



Powerlinks Transmission Limited  
Statement of Profit and Loss for the year ended 31 March 2023

|   | Notes | Year ended<br>31 March 2023<br>INR lacs | Year ended<br>31 March 2022<br>INR lacs |
|---|-------|---|---|
| Revenue from Contracts with Customers   | 21    | 12,861.10                               | 13,870.19                               |
| Other Income  | 22    | 1,021.95                                | 545.41                                  |
| <b>Total Income</b>   |       | <b>13,883.05</b>                        | <b>14,415.60</b>                        |
| <b>Expenses</b>   |       |   |   |
| Employee benefits expense   | 23    | 968.47                                  | 945.85                                  |
| Finance costs   | 24    | 77.28                                   | 81.42                                   |
| Depreciation and Amortisation Expenses  | 6     | 68.31                                   | 68.31                                   |
| Transmission, administration and other expenses   | 25    | 1,030.32                                | 692.98                                  |
| <b>Total expenses</b>   |       | <b>2,144.38</b>                         | <b>1,788.56</b>                         |
| <b>Profit before tax</b>  |       | <b>11,738.67</b>                        | <b>12,627.04</b>                        |
| Current tax (MAT)   | 17    | 2,122.72                                | 2,206.20                                |
| Deferred tax charge/(credit)  | 17    | 1,508.12                                | 1,281.75                                |
| <b>Income Tax expense</b>   |       | <b>3,630.84</b>                         | <b>3,487.95</b>                         |
| <b>Profit for the year</b>  |       | <b>8,107.83</b>                         | <b>9,139.09</b>                         |
| <b>Other comprehensive income</b>   |       |   |   |
| Items that will not be reclassified to profit and loss in subsequent periods:                         |       |   |   |
| Remeasurement gain/(losses) on defined benefit plans  |       | 16.15                                   | 53.73                                   |
| Income tax effect   |       | (4.70)                                  | (15.65)                                 |
| <b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods.</b> |       | <b>11.45</b>                            | <b>38.08</b>                            |
| <b>Total comprehensive income for the year</b>  |       | <b>8,119.28</b>                         | <b>9,177.17</b>                         |
| <b>Earnings per equity share (Face Value of shares Rs 10 each)</b>                                    |       |   |   |
| Basic, computed on the basis of profit attributable to equity holders (in Rs.)                        | 27    | 1.73                                    | 1.95                                    |
| Diluted, computed on the basis of profit attributable to equity holders (in Rs.)                      |       | 1.73                                    | 1.95                                    |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No-301003E/E300005

per Ajay Bansal

Partner  
Membership No: 502243  
Place: Gurugram  
Date: 20 April 2023



For and on behalf of the Board of Directors

Ajay Kapoor  
Director

Place: Noida  
DIN: 00466631

Avinash Chander Dhawan  
Chief Financial Officer

Place: Noida  
Date: 20 April 2023

Kiran Gupta  
Chief Executive Officer  
& Executive Director

Place: Noida  
DIN: 08196580

Ajay Kalsie  
Company Secretary  
Membership No: 13810  
Place: Noida  
Date: 20 April 2023



Powerlinks Transmission Limited  
Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity share capital

| Equity shares of INR 10/- each issued, subscribed, and fully paid. | No. of Shares | Amount in lacs |
|--|---------------|----------------|
| At 1 April 2021  | 46,80,00,000  | 46,800         |
| Issue of equity shares during the Period                           | -             | -              |
| At 31st March 2022   | 46,80,00,000  | 46,800         |
| At 1 April 2022  | 46,80,00,000  | 46,800         |
| Issue of equity shares during the period                           | -             | -              |
| At 31st March 2023   | 46,80,00,000  | 46,800         |

b. Other Equity

Amount in lacs

For the period ended 31 March 2023

| Description  | Reserves and Surplus |                        |                   | Total      |
|--|----------------------|------------------------|-------------------|------------|
|  | General Reserve      | Self Insurance Reserve | Retained Earnings |            |
| Balance as at 01 April 2021 (A)  | 7,883.00             | 2,076.67               | 39,083.55         | 49,043.22  |
| Profit for the year  | -                    | -                      | 9,139.09          | 9,139.09   |
| Other Comprehensive Income/(Expense) for the year (net of tax)           | -                    | -                      | 38.08             | 38.08      |
| <b>Total Comprehensive Income (B)</b>                                    | 7,883.00             | 2,076.67               | 48,260.72         | 58,220.39  |
| Transferred to Self insurance reserve                                    | -                    | 153.21                 | (153.21)          | -          |
| Less: Payment of interim dividends on equity shares (refer note no.15.3) | -                    | -                      | (4,680.00)        | (4,680.00) |
| Less: Payment of final dividends on equity shares (refer note no.15.3)   | -                    | -                      | (2,808.00)        | (2,808.00) |
| <b>Total (C)</b>   | -                    | 153.21                 | (7,641.21)        | (7,488.00) |
| <b>Balance as at 31 March 2022 (A+B+C)</b>                               | 7,883.00             | 2,229.88               | 40,619.51         | 50,732.39  |
| Balance as at 01 April 2022  | 7,883.00             | 2,229.88               | 40,619.51         | 50,732.39  |
| Profit for the year  | -                    | -                      | 8,107.83          | 8,107.83   |
| Other Comprehensive Income/(Expense) for the year (net of tax)           | -                    | -                      | 11.45             | 11.45      |
| <b>Total Comprehensive Income</b>  | 7,883.00             | 2,229.88               | 48,738.79         | 58,851.67  |
| Transferred to Self Insurance Reserve                                    | -                    | 152.94                 | (152.94)          | -          |
| Less: Payment of final dividends on equity shares (refer note no.15.3)   | -                    | -                      | (3,276.00)        | (3,276.00) |
| Less: Payment of interim dividends on equity shares (refer note no.15.3) | -                    | -                      | (5,616.00)        | (5,616.00) |
| <b>Balance as at 31 March 2023</b>                                       | 7,883.00             | 2,382.82               | 39,693.85         | 49,959.67  |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration No-201003E/E300005

per Ajay Bansal  
Partner  
Membership No: 502243

Place: Gurugram  
Date: 20 April 2023



For and on behalf of the Board of Directors

Ajay Kapoor  
Director

DIN: 00466631  
Place: Noida

Avinash Chander Dhawan  
Chief Financial Officer

Place: Noida  
Date: 20 April 2023

Kiran Gupta  
Chief Executive Officer  
& Executive Director  
DIN: 08196580  
Place: Noida

Ajay Kalsie  
Company Secretary  
Membership No: 13810  
Place: Noida  
Date: 20 April 2023



**Powerlinks Transmission Limited**  
**Statement of Cash Flows for the year ended 31 March 2023**

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
|   | INR Laacs                   | INR Laacs                   |
| <b>Operating activities</b>   |                             |                             |
| Profit before tax from continuing operations                        | 11,738.67                   | 12,627.04                   |
| <b>Adjustment to reconcile profit before tax to net cash flows:</b> |                             |                             |
| Depreciation and amortisation expense                               | 68.31                       | 68.31                       |
| Finance cost  | 77.28                       | 81.41                       |
| Interest income   | (428.38)                    | (146.78)                    |
| Change in fair value of mutual fund investments                     | (593.57)                    | (398.63)                    |
| Provision for doubtful debt   | 394.07                      | 11.75                       |
| <b>Working capital adjustments:</b>                                 |                             |                             |
| Decrease in Inventory   | -                           | 0.06                        |
| Decrease/(Increase) in Trade receivable                             | (209.55)                    | (1,780.87)                  |
| Decrease in Service Concession Arrangement-Non Current              | 1,019.24                    | 1,365.51                    |
| (Increase) in Service Concession Arrangement-Current                | (134.12)                    | (27.70)                     |
| (Increase)/Decrease in Other financial asset- Non current           | -                           | -                           |
| Decrease/(Increase) in Other financial asset- current               | (12.50)                     | (41.14)                     |
| Decrease/ (Increase) in Other Non current assets                    | -                           | 12.36                       |
| Decrease/(Increase) in Other current assets                         | (1.95)                      | 14.31                       |
| Increase in Trade payable   | 38.87                       | (77.50)                     |
| Increase in Other current liabilities                               | 72.43                       | (358.02)                    |
| Increase/(Decrease) in Short-term provisions                        | 0.68                        | 4.45                        |
| (Decrease)/Increase in Long-term provisions                         | 18.94                       | 70.75                       |
| (Decrease)/Increase in Other Financial Liabilities - Current        | -                           | (4,400.26)                  |
|   | <u>12,048.42</u>            | <u>7,025.05</u>             |
| Income tax paid   | (2,117.60)                  | (2,221.85)                  |
| <b>Net cash flows from operating activities</b>                     | <b>9,930.82</b>             | <b>4,803.20</b>             |
| <b>Investing activities</b>   |                             |                             |
| Purchase of Investment in Mutual funds                              | (28,647.46)                 | (28,046.71)                 |
| Sale proceeds from investments in mutual Funds                      | 27,009.81                   | 30,169.89                   |
| Interest received   | 411.46                      | 156.80                      |
| (Purchase)/Proceeds from maturity of fixed deposit                  | (163.30)                    | (32.62)                     |
| Inter-Corporate Deposit given                                       | -                           | -                           |
| Inter-Corporate Deposit received back                               | -                           | -                           |
| <b>Net cash flows from/(used in) investing activities</b>           | <b>(1,389.49)</b>           | <b>2,247.36</b>             |
| <b>Financing activities</b>   |                             |                             |
| Finance costs   | (2.31)                      | (5.12)                      |
| Dividends paid  | (8,892.00)                  | (7,488.00)                  |
| <b>Net cash flows (used in) financing activities</b>                | <b>(8,894.31)</b>           | <b>(7,493.12)</b>           |
| Net decrease in cash and cash equivalents                           | (352.98)                    | (442.56)                    |
| Cash and cash equivalents at the beginning of the year              | 380.15                      | 822.71                      |
| <b>Cash and cash equivalents at the year end</b>                    | <b>27.17</b>                | <b>380.15</b>               |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Reg no-301003E/E300005

per Ajay Bansal  
Partner  
Membership No: 502243

Place: Gurugram  
Date: 20 April 2023



For and on behalf of the Board of Directors

Ajay Kapoor

Director

DIN: 00466631  
Place: Noida

Avinash Chander Dhawan  
Chief Financial Officer

Place: Noida

Date: 20 April 2023

Kiran Gupta

Chief Executive Officer  
& Executive Director  
DIN: 08196580  
Place: Noida

Ajay Kalsie  
Company Secretary  
Membership No: 13810  
Place: Noida

Date: 20 April 2023



## 1 Corporate Information

POWERLINKS TRANSMISSION LIMITED ("the Company"), has been set up pursuant to an agreement entered into between The Tata Power Company Limited and Power Grid Corporation of India Limited (POWERGRID) with 51% and 49% shareholding respectively, to construct, operate and maintain 1.166 Kilometres of five 400 KV Double Circuit Transmission Lines and one 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and surplus power in Eastern India and is being transferred to Northern India through the transmission lines. The company is a public limited company incorporated and domiciled in India and has its registered office at 10th Floor, DLF Tower A, District Centre Jasola, New Delhi 110025, India.

The Company has been granted transmission license for 23 years by Central Electricity Regulatory Commission (CERC) for the transmission of electricity effective 13 November, 2003.

## 2. Significant Accounting Policies :

### 2.1 Statement of compliance

The Financial statements have been prepared in accordance with Indian Accounting Standards ( Ind AS) as notified under the companies ( Indian Accounting Standards) Rules , 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

### 2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

a) Certain financial assets and financial liabilities measured at fair value (refer note no. 2.6 and 2.7.3)

The consolidated financial statements are presented in Indian Rupees (₹) and all amounts are in Laacs unless otherwise stated.

### 2.3 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of service concession arrangement, valuation of deferred tax assets, provision for employee benefits and determination of the lease terms of contracts with renewal and termination option.

### 2.4 Foreign currencies

The functional currency of the Company is Indian rupee (₹). These financial statements are presented in Indian Rupee.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### 2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



## 2.6 Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.6.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments in fair value through Profit or loss category are measured at fair value with all changes recognised in Profit and loss.

### 2.6.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### 2.6.3 Financial assets at Fair Value Through Profit or Loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 2.6.4 Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 2.6.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset other than in its entirety, On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.



**2.7 Financial liabilities and equity instruments**

**2.7.1 Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**2.7.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**2.7.3 Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**2.7.3.1 Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

**2.7.3.2 Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**2.7.3.3 Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 'Revenue'.

**2.7.3.4 Derecognition of financial liabilities**

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

**2.8 Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.9 Rounding off policy**

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest Lacs as per the requirement to Schedule III of the Companies Act, 2013, unless otherwise stated.



## 2.10 Operating cycle

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

## 2.11 Critical accounting judgement and key sources of estimation uncertainty

2.11.1 In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

a) Estimation of current tax and deferred tax expense- Note 17

b) Estimation of defined benefit obligation-

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

The mortality rate is based on publicly available mortality tables

c) Pursuant to application of Ind AS 115, Appendix D "Service Concession Arrangement", the Company has followed the financial assets model for recognition and measurement of Service Concession Receivables. The Company has calculated Service Concession Receivables based on future cash flow from the project. In the Service Concession Receivables the Company has calculated the IRR based on the cash flow recovery from the project and initial investments. The model has been built based on the norms for Tariff allowed by Central Regulatory Commission in CERC (Terms and condition of tariff) Regulations 2014. Further since the contract is extendable by 5 years and as per CERC order and the Company is entitled to post tax return on its investment, cash flows have been prepared accordingly for a period of 30 years. - Note 21.1, Note 21.4 & Note 3.

d) Estimation of MAT recoverability- Note 17

Estimates and judgement are continually 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.

e) Determining the lease term of contracts with renewal and termination options -as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Company included the renewal period as part of the lease term for leases of right of use for way leave. The renewal periods for leases of Vehicle and rent are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.(refer note 6&16)

## 2.12 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## 2.13 Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**3. Service concession arrangement**

|                                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------|------------------------|------------------------|
|                                | INR lacs               | INR lacs               |
| <b>Non-current</b>             |                        |                        |
| Service concession arrangement | 73,648.25              | 74,667.49              |
|                                | <b>73,648.25</b>       | <b>74,667.49</b>       |
| <b>Current</b>                 |                        |                        |
| Service concession arrangement | 1,518.77               | 1,384.65               |
|                                | <b>1,518.77</b>        | <b>1,384.65</b>        |

The Company was set up to construct, operate and maintain 1,116 Kilometres of five 400 KV Double Circuit Transmission Line and 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. The Company entered in to the Transmission Service Agreement with Power Grid Corporation of India Limited ("POWERGRID"), JV partner dated 29th March, 2004. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and surplus power in Eastern India and is being transferred to Northern India through the Transmission Lines exclusively to POWERGRID.

POWERGRID has right to purchase all the assets of the Company required to operate the project including land, buildings, plant and equipment, spare parts, records, drawings and all other consumables. The period of concession is 25 years from the date of transmission license, which is further extendable up to 30 years. The tariff for transmission charges and additional expenditure for assets under Service concession arrangement are subject to the approval by Central Electricity Regulatory Commission.

Pursuant to application of Ind AS 115, Appendix D "Service Concession Arrangements" the property, plant and equipment of the Company under the previous GAAP have been derecognised and fair value of future cash flows receivables under the above said project is recognised initially under financial assets as Service Concession Arrangement and subsequently recognised at amortised cost.

Pursuant to CERC regulations prior to 2009 which states that company will be allowed to recover the Deferred tax liability, Company continued to recognize deferred tax liability up to March 31, 2015 as recoverable in the books of accounts prepared as per the IGAAP applicable to the Company. The total deferred tax liability recorded as recoverable up till March 31, 2015 was Rs. 12,700 lacs with balance as at March 31, 2023 of Rs 10,899 lacs( previous year: Rs 10,899 lacs).

|                                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------|------------------------|------------------------|
|                                   | INR lacs               | INR lacs               |
| <b>4. Other financial assets</b>  |                        |                        |
| <b>Non-current</b>                |                        |                        |
| unsecured, considered good        |                        |                        |
| Security deposits                 | 36.86                  | 36.86                  |
|                                   | <b>36.86</b>           | <b>36.86</b>           |
| <b>Current</b>                    |                        |                        |
| Interest accrued on bank deposits | 88.08                  | 71.16                  |
| Security deposits                 | 0.07                   | 0.15                   |
| Other receivables                 | 55.19                  | 42.61                  |
|                                   | <b>143.34</b>          | <b>113.92</b>          |
| <b>5. Non-current tax assets</b>  |                        |                        |
| Tax refund receivable             | 260.30                 | 260.30                 |
|                                   | <b>260.30</b>          | <b>260.30</b>          |



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**6. Right of use assets**

**Accounting Policy**

The Company has lease contracts for various items of right of use for way leave, vehicles and premises used in its operations. Leases of right of use for way leave generally have lease terms between 10 and 35 years, while motor vehicles and other equipment generally have lease terms between 0 and 12 months. Generally, the Company is restricted from assigning and subleasing the leased assets.

The following are the amounts recognised in statement of Profit and Loss :

| Particulars                           | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of Right-of-use assets   | 68.31                                | 68.31                                |
| Interest on lease liabilities         | 74.96                                | 76.30                                |
| Expenses related to short term leases | 36.38                                | 33.12                                |

The following are the amount recognised in statement of cash flow :

| Particulars                  | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|------------------------------|--------------------------------------|--------------------------------------|
| Total cash outflow of leases | 27.12                                | 25.24                                |

*INR lacs*

| Description                                    | Leasehold land | Total         |
|--|----------------|---------------|
| <b>Cost</b>                                    |                |               |
| Balance as at 1st April, 2022                  | 944.81         | 944.81        |
| Additions                                      | -              | -             |
| <b>Balance as at 31st March, 2023</b>          | <b>944.81</b>  | <b>944.81</b> |
| <b>Accumulated depreciation and impairment</b> |                |               |
| Balance as at 1st April, 2022                  | 207.56         | 207.56        |
| Depreciation expense                           | 68.31          | 68.31         |
| <b>Balance as at 31st March, 2023</b>          | <b>275.87</b>  | <b>275.87</b> |
| <b>Net carrying amount</b>                     |                |               |
| As at 31st March, 2023                         | <b>668.94</b>  | <b>668.94</b> |

*INR lacs*

| Description                                    | Leasehold land | Total         |
|--|----------------|---------------|
| <b>Cost</b>                                    |                |               |
| Balance as at 1st April, 2021                  | 944.81         | 944.81        |
| Additions                                      | -              | -             |
| <b>Balance as at 31st March, 2022</b>          | <b>944.81</b>  | <b>944.81</b> |
| <b>Accumulated depreciation and impairment</b> |                |               |
| Balance as at 1st April, 2021                  | 139.25         | 139.25        |
| Depreciation expense                           | 68.31          | 68.31         |
| <b>Balance as at 31st March, 2022</b>          | <b>207.56</b>  | <b>207.56</b> |
| <b>Net carrying amount</b>                     |                |               |
| As at 31st March, 2022                         | <b>737.25</b>  | <b>737.25</b> |



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

|                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------|------------------------|------------------------|
|                                      | INR lacs               | INR lacs               |
| <b>7. Other assets</b>               |                        |                        |
| <b>Non-Current</b>                   |                        |                        |
| unsecured, considered good           |                        |                        |
| Balances with government authorities | 8.43                   | 8.43                   |
|                                      | <b>8.43</b>            | <b>8.43</b>            |
| <b>Current</b>                       |                        |                        |
| Balances with government authorities | 3.66                   | 5.38                   |
| Advances to vendors                  | 55.82                  | 41.48                  |
| Other advances                       | 103.59                 | 114.26                 |
|                                      | <b>163.07</b>          | <b>161.12</b>          |

**8. Inventories**

Accounting Policy

Inventories comprises mainly stores and spares and valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes octroi, other levies, transit insurance and receiving charges.

Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make sales.

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
|  | INR lacs               | INR lacs               |
| Stores and spares (lower of cost and net realisable value) | 171.07                 | 171.07                 |
|  | <b>171.07</b>          | <b>171.07</b>          |

The cost of inventories recognised as an expense during the year was Rs Nil lacs (for the year ended 31st March, 2022: Rs 0.06 lacs)



|   | As at         | As at            | As at         | As at           |
|---|---------------|------------------|---------------|-----------------|
|   | 31 March 2023 | 31 March 2023    | 31 March 2022 | 31 March 2022   |
|   | Units         | INR laes         | Units         | INR laes        |
| <b>9. Current Investments</b>                                 |               |                  |               |                 |
| (i) Investments carried at fair value through profit and loss |               |                  |               |                 |
| <b>Mutual Funds (Unquoted)</b>                                |               |                  |               |                 |
| a. Axis Liquid Fund - Growth                                  |               |                  | 20,505.29     | 484.76          |
| b. IDFC Cash Fund (Direct) - Growth                           | 97,848.79     | 2,660.10         | 98,133        | 2,522.95        |
| c. ICICI Prudential Liquid Fund - Growth                      |               |                  | -             | -               |
| d. SBI Liquid Fund Direct Growth                              | 63,099.27     | 2,558.18         | 76,696        | 2,556.35        |
| e. DSP Liquidity Fund - Dir - Growth                          | 78,398.36     | 2,522.22         | -             | -               |
| f. Kotak Liquid Fund - Dir - Growth                           |               |                  | 58,363        | 2,511.42        |
| g. Mirae Asset Cash Management Fund - Dir - Growth            | 1,07,978.62   | 2,566.20         | -             | -               |
| <b>Total current investments</b>                              |               | <b>10,306.70</b> |               | <b>8,075.48</b> |
| <b>Aggregate carrying value of unquoted investments</b>       |               | <b>10,306.70</b> |               | <b>8,075.48</b> |

|  | As at           | As at           |
|--|-----------------|-----------------|
|  | 31 March 2023   | 31 March 2022   |
|  | INR laes        | INR laes        |
| <b>10. Trade Receivables</b>                   |                 |                 |
| (Unsecured unless otherwise stated)            |                 |                 |
| <b>Current Trade Receivables</b>               |                 |                 |
| Considered good                                | 2,216.90        | 2,997.88        |
| Considered doubtful                            | 345.39          | 11.75           |
|  | 2,562.29        | 3,009.63        |
| Less: Allowance for doubtful trade receivables | 345.39          | 11.75           |
|  | <b>2,216.90</b> | <b>2,997.88</b> |

**Trade Receivables**

The average credit period is 45 days. No interest is charged on trade receivables for first 45 days from the date of Invoice. Thereafter, interest is charged at 1.5% p.m. on the outstanding balance.

The Company sells its entire transmission capacity to POWERGRID in terms of an exclusive Transmission service agreement dated 29 March 2004.

**Trade Receivables Ageing schedule as at 31 March , 2023**

| Particulars                            | Outstanding for following periods from due date of payment # |          |                    |                   |           |           |                   | Total    |
|--|--|----------|--------------------|-------------------|-----------|-----------|-------------------|----------|
|  | Not Due  | Unbilled | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years |          |
| (i) Undisputed Trade Receivables       |  |          |                    |                   |           |           |                   |          |
| a) Considered good                     | 1202.25  | 1,223.40 | 979.66             | 13.32             | 0.52      | -         | -                 | 3,419.15 |
| b) Significant increase in credit risk |  |          | -                  | -                 | -         | -         | -                 | -        |
| (ii) Disputed Trade Receivables        |  |          |                    |                   |           |           |                   |          |
| a) Considered good                     |  |          | -                  | -                 | -         | -         | -                 | -        |
| b) Significant increase in credit risk |  |          | -                  | 345.39            | -         | -         | -                 | 345.39   |

**Trade Receivables Ageing schedule as at 31 March , 2022**

| Particulars                            | Outstanding for following periods from due date of payment # |          |                    |                   |           |           |                   | Total    |
|--|--|----------|--------------------|-------------------|-----------|-----------|-------------------|----------|
|  | Not Due  | Unbilled | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years |          |
| (i) Undisputed Trade Receivables       |  |          |                    |                   |           |           |                   |          |
| a) Considered good                     | 605.79   | 1,209.82 | 1,787.54           | -                 | 0.52      | -         | -                 | 3,603.67 |
| b) Significant increase in credit risk |  |          | -                  | -                 | -         | -         | -                 | -        |
| (ii) Disputed Trade Receivables        |  |          |                    |                   |           |           |                   |          |
| a) Considered good                     |  |          | -                  | -                 | -         | -         | -                 | -        |
| b) Significant increase in credit risk |  |          | -                  | -                 | -         | -         | 11.75             | 11.75    |

**Notes**

- Trade Receivables includes Unbilled Receivables relating to transmission amounting to Rs 1223.40 Laes (Previous Year Rs 1209.82 Laes)
- With respect to trade receivables, there are no indicators as on 31 March 2022 for defaults in payments. Accordingly, the Company does not anticipate any credit loss.
- Trade receivables includes not due amount pertains to way leave charges recovery, TDS deducted by Discoms and amount due for beneficiaries opted instalment scheme



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**11. Cash and cash equivalents**

Accounting Policy

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage & demand deposit with bank.

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
|   | INR lacs               | INR lacs               |
| Balances with Banks:                                    |                        |                        |
| - in current accounts                                   | 27.17                  | 380.15                 |
| <b>Cash and Cash Equivalents as per Balance Sheet</b>   | <b>27.17</b>           | <b>380.15</b>          |
| <br>  |                        |                        |
| Cash and cash equivalents as per statement of cash flow | 27.17                  | 380.15                 |

**12. Other bank balances**

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
|  | INR lacs               | INR lacs               |
| Balance with banks*  | 2,425.42               | 2,262.12               |
|  | <b>2,425.42</b>        | <b>2,262.12</b>        |
| * Deposits under lien for insurance reserve and guarantee out of which Rs 175.42 lacs (Rs 167.86 lacs for March 22) pertains to lien for Sales tax case Lucknow. | 175.42                 | 167.86                 |



13 Equity share capital

|  | As at 31 March 2023 |                  | As at 31 March 2022 |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | Number              | INR lacs         | Number              | INR lacs         |
| <b>Authorised share capital</b>  |                     |                  |                     |                  |
| Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights | 48,36,00,000        | 48,360.00        | 48,36,00,000        | 48,360.00        |
| <b>Issued share capital</b>  |                     |                  |                     |                  |
| Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights | 46,80,00,000        | 46,800.00        | 46,80,00,000        | 46,800.00        |
| <b>Subscribed and fully paid up</b>                                    |                     |                  |                     |                  |
| Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights | 46,80,00,000        | 46,800.00        | 46,80,00,000        | 46,800.00        |
|  |                     | <b>46,800.00</b> |                     | <b>46,800.00</b> |

See notes (i) to (ii) below

(i) The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder                    | As at 31 March 2023   |               | As at 31 March 2022   |               |
|--|-----------------------|---------------|-----------------------|---------------|
|  | Number of shares held | % holding     | Number of shares held | % holding     |
| <b>Equity shares with voting rights</b>                  |                       |               |                       |               |
| The Tata Power Company Limited (Joint Venturer)          | 23,86,79,997          | 51.00         | 23,86,79,997          | 51.00         |
| The Tata Power Company Limited and individuals jointly   | 3                     |               | 3                     |               |
| Power Grid Corporation of India Limited (Joint Venturer) | 22,93,19,997          | 49.00         | 22,93,19,997          | 49.00         |
| Individuals of Power Grid Corporation of India Limited   | 3                     |               | 3                     |               |
|  | <b>46,80,00,000</b>   | <b>100.00</b> | <b>46,80,00,000</b>   | <b>100.00</b> |

(iii) Shareholding of Promoters

| Sl No | Promoter name                           | Shares held by promoters at the end of the year |                   | % Change during |
|-------|---|---|-------------------|-----------------|
|       |   | No. of shares                                   | % of total shares |                 |
| 1     | The Tata Power Company Limited          | 23,86,79,997                                    | 51                | Nil             |
| 2     | Power Grid Corporation of India Limited | 22,93,19,997                                    | 49                | Nil             |



Powerlinks Transmission Limited  
Notes to the financial statements for the year ended March 31, 2023

|   | As at<br>31 March 2023<br>INR lacs | As at<br>31 March 2022<br>INR lacs |
|---|------------------------------------|------------------------------------|
| <b>14. Other Equity</b>   |                                    |                                    |
| <b>14.1 General Reserve</b>   |                                    |                                    |
| Balance at the beginning of the year  | 7,883.00                           | 7,883.00                           |
| Balance at the end of the year (A)  | 7,883.00                           | 7,883.00                           |
| <b>14.2 Self insurance reserve</b>  |                                    |                                    |
| Balance at the beginning of the year  | 2,229.88                           | 2,077.33                           |
| Add: Amount transferred from retained earnings  | 152.94                             | 152.55                             |
| Balance at the end of the year (B)  | 2,382.82                           | 2,229.88                           |
| <b>14.3 Retained Earnings</b>   |                                    |                                    |
| Balance at the beginning of the year  | 40,619.51                          | 39,083.55                          |
| Add: Other comprehensive income/(expense) arising from remeasurement of defined benefit obligation (net of tax) | 11.45                              | 38.08                              |
| Profit for the year   | 8,107.83                           | 9,139.09                           |
| Less: - Payment of interim dividends on equity shares   | 5,616.00                           | 4,680.00                           |
| - Payment of final dividends on equity shares   | 3,276.00                           | 2,808.00                           |
| - Transferred to self insurance reserve   | 152.94                             | 153.21                             |
|   | (925.66)                           | 1,535.96                           |
| Balance at the end of the year (C)  | 39,693.85                          | 40,619.51                          |
| <b>Total (A+B+C)</b>  | <b>49,959.67</b>                   | <b>50,732.39</b>                   |

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Detail of dividend paid are as follows:

| Dividend Particulars  | 31 March 2023        |
|---|----------------------|
| <b>Cash dividend on equity shares declared and paid</b>                 |                      |
| Final dividend for the year ended March 31, 2022 (Rs. 0.70 per share)   | 3,276.00             |
| Interim dividend for the year ended March 31, 2023 (Rs. 1.20 per share) | 5,616.00             |
|   | 8,892.00             |
| <b>Particulars</b>  | <b>31 March 2022</b> |
| <b>Cash dividend on equity shares declared and paid</b>                 |                      |
| Final dividend for the year ended March 31, 2021 (Rs. 0.60 per share)   | 2,808.00             |
| Interim dividend for the year ended March 31, 2022 (Rs. 1.00 per share) | 4,680.00             |
|   | 7,488.00             |

In respect of the year ended 31 March, 2023, the directors in their meeting dated 20 April, 2023 have proposed a final dividend of Rs 0.40 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting. The proposed equity dividend is payable to all holders of fully paid equity shares. The total liability towards equity dividend amounts to Rs 1872 Lacs.



15. Leases

**Accounting Policy**

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand alone price.

**As a lessee**

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Right of use for way leave – 17 years

The Company presents right-to-use assets that do not meet the definition of investment property and shown separately under Right of use assets (refer note 6).

**ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities in 'Financial Liabilities' in the Balance Sheet.

**iii) Short term leases and leases of low value of assets**

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**As a lessor**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

|                                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------------------------------------|------------------------|------------------------|
|                                      | INR lacs               | INR lacs               |
| Balance at the beginning of the year | 1,332.79               | 1,256.49               |
| Additions                            | -                      | -                      |
| Accretion of Interest                | 74.96                  | 76.30                  |
| Payments                             | -                      | -                      |
| Balance at the end of the year       | 1,407.75               | 1,332.79               |
| Non-current                          | 747.02                 | 713.59                 |
| Current                              | 660.72                 | 619.19                 |

The maturity analysis of lease liabilities are disclosed in Note 33.

The effective interest rate for lease liabilities is 8.42%, with maturity between 2019-2036

16. Provisions

**Accounting Policy**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Onerous Contracts**

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
|  | INR lacs               | INR lacs               |
| <b>Non-current</b>                         |                        |                        |
| <b>Provision for Employee Benefits</b>     |                        |                        |
| (i) Compensated absences                   | 115.70                 | 115.02                 |
| (ii) Gratuity (Net)                        | -                      | -                      |
| (iii) Post-retirement defined benefit plan | 50.43                  | 49.46                  |
| (iv) Other employee benefits               | 18.54                  | 17.40                  |
|  | <b>184.67</b>          | <b>181.88</b>          |
| <b>Current</b>                             |                        |                        |
| <b>Provision for Employee Benefits</b>     |                        |                        |
| (i) Compensated absences                   | 14.26                  | 13.43                  |
| (ii) Post-retirement defined benefit plan  | 3.59                   | 3.74                   |
| (iii) Other employee benefits              | 0.05                   | 0.05                   |
|  | <b>17.90</b>           | <b>17.22</b>           |



**POWERLINKS TRANSMISSION LIMITED**

**Notes to the financial statements for the year ended March 31, 2023**

16.1 The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the Statement of Profit and Loss is the total of contributions payable in the year.

**16.2 Defined contribution plan**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits and recognised such contribution and shortfall, if any, as an expense in the year it is incurred.

The Company recognised Rs. 45.53 lacs (Previous year Rs. 45.84 lacs) for Superannuation and provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme. As at 31 March, 2023, contribution of Rs. 6.14 lacs (as at 31 March, 2022 Rs. 8.33 lacs) representing amount payable to the Employee Provident Fund in respect of FY 2022-23 (FY 2021-22) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of respective reporting periods.

**16.3 Defined benefit plan**

The company operates the following funded defined benefit plans:

**a) Gratuity Scheme**

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of specified no. of day's salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years' service. The Company contributes to funds administered by Life Insurance Corporation of India.

The company operates the following unfunded defined benefit plans:

**Post Employment Medical Benefits**

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

**Ex-Gratia Death Benefits**

The company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of pre-determined lumpsum amount along with a sum determined based on the last drawn basis salary per month and the length of service

**Retirement Gift**

The company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of employee.

**Pension**

The company has a defined benefit plan granting a pre-determined sum as a pension after completing vesting period.

**16.4 Risks associated with Plan Provisions**

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

|                                    |  |
|------------------------------------|--|
| Investment risk                    | The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.  |
| Interest risk (discount rate risk) | The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.   |
| Mortality risk                     | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. Indian Assured Lives Mortality (2006-08) ultimate table has been used in respect of the above.<br><br>A change in mortality rate will have a bearing on the plan's liability.                           |
| Salary risk                        | The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
| Demographic risk                   | The Company has used certain mortality and attrition assumption in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumption.   |

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2020 by Mr. Ritabrata Sankar, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**16.5 Principal actuarial assumptions:**

| S. No. | Particulars                              | Refer note below | Year ended 31 March 2023<br>Gratuity scheme (Funded) | Year ended 31 March 2023<br>Post retirement defined benefit plan (Non Funded) | Year ended 31 March 2022<br>Gratuity scheme (Funded) | Year ended 31 March 2022<br>Post retirement defined benefit plan (Non Funded) |
|--------|--|------------------|--|---|--|---|
| i.     | Discount rate (p.a.)                     | 1                | 7.30%  | 7.30%   | 6.80%  | 6.80%   |
| ii.    | Expected rate of return on assets (p.a.) | 2                | 7.40%  | -   | 0.00%  | -   |
| iii.   | Salary escalation rate (p.a.)            | 3                | Management- 7%, Non-Management-6%                    | Management- 7%, Non-Management-6%   | Management- 7%, Non-Management-6%                    | Management- 7%, Non-Management-5%   |
| iv.    | Expected rate(s) of medical inflation    | 4                | -  | 8.00%   | -  | 8.00%   |

**Notes**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**16.6 Demographic assumptions:**

| S. No. | Particulars                    | 31 March 2023   | 31 March 2022   |
|--------|--------------------------------|---|---|
| 1      | Retirement age                 | 60 Years  | 60 Years  |
| 2      | Mortality Table                | Indian Assured Lives Mortality (2006-08) modified Ult.                          | Indian Assured Lives Mortality (2006-08) modified Ult.                          |
| 3      | Withdrawal rate (for all ages) | Management -Age 21-44 years-6%<br>45 Years and above- 2%<br>Non Management 0.5% | Management -Age 21-44 years-6%<br>45 Years and above- 2%<br>Non Management 0.5% |



16.6.1 Amounts recognised in the Statement of Profit and Loss in respect of these defined benefits plans are as follows:

| S. No. | Particulars  | Year ended 31 March 2023                  | Year ended 31 March 2023  | Year ended 31 March 2022                  | Year ended 31 March 2022  |
|--------|--|---|---|---|---|
|        |  | Gratuity scheme (Funded)<br>(Rs.in Laacs) | Post retirement defined benefit plan(Non Funded)<br>(Rs.in Laacs) | Gratuity scheme (Funded)<br>(Rs.in Laacs) | Post retirement defined benefit plan(Non Funded)<br>(Rs.in Laacs) |
| A      | Current service cost   | 12.95                                     | 5.06  | 12.58                                     | 4.75  |
| B      | Net interest expenses  | (1.25)                                    | 3.58  | 1.22                                      | 3.58  |
| C      | Other adjustment   | -   | -   | -   | -   |
|        | <b>Components of defined benefit costs recognised in Statement of Profit or Loss</b> | <b>11.40</b>                              | <b>8.65</b>   | <b>13.80</b>                              | <b>7.83</b>   |

16.6.2 Remeasurement on the net defined benefit liability:

| S. No. | Particulars  | Year ended 31 March 2023                  | Year ended 31 March 2023  | Year ended 31 March 2022                  | Year ended 31 March 2022  |
|--------|--|---|---|---|---|
|        |  | Gratuity scheme (Funded)<br>(Rs.in Laacs) | Post retirement defined benefit plan(Non Funded)<br>(Rs.in Laacs) | Gratuity scheme (Funded)<br>(Rs.in Laacs) | Post retirement defined benefit plan(Non Funded)<br>(Rs.in Laacs) |
| A      | Actuarial (gains) losses due to change in demographic assumptions                  | -   | -   | -   | 2.55  |
| B      | Actuarial (gains) losses due to change in financial assumptions                    | (6.22)                                    | (3.57)  | (2.35)                                    | (1.44)  |
| C      | Actuarial (gains) losses due to change in experience variance                      | 15.19                                     | (3.01)  | (25.39)                                   | (7.42)  |
| D      | Return on plan assets  | (18.54)                                   | -   | 19.68                                     | -   |
|        | <b>Component of defined benefit costs recognised in Other Comprehensive Income</b> | <b>(9.57)</b>                             | <b>(6.59)</b>   | <b>(8.06)</b>                             | <b>(6.31)</b>   |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in the other comprehensive income.

16.6.3 The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefits plans as follows:

| S. No. | Particulars                                 | Gratuity Scheme (Funded)             |                                      |
|--------|---|--------------------------------------|--------------------------------------|
|        |   | As at 31 March 2023<br>(Rs. / Laacs) | As at 31 March 2022<br>(Rs. / Laacs) |
| A      | Present value of defined benefit obligation | 172.07                               | (162.24)                             |
| B      | Fair value of plan assets                   | 208.18                               | 177.57                               |
|        | <b>Funded status (deficit)</b>              | <b>36.11</b>                         | <b>15.33</b>                         |

| S. No. | Particulars                                  | Post retirement defined benefit plan(Non Funded) |                                      |
|--------|--|--|--------------------------------------|
|        |  | As at 31 March 2023<br>(Rs in Laacs)             | As at 31 March 2022<br>(Rs in Laacs) |
| A      | Present value of defined benefit obligation  | (54.02)  | (58.19)                              |
|        | <b>Net defined benefit asset/(liability)</b> | <b>(54.02)</b>                                   | <b>(58.19)</b>                       |

16.6.4 Movement in the fair value of the defined benefit obligation:

| S. No. | Particulars  | Gratuity Scheme (Funded)                  |   |
|--------|--|---|---|
|        |  | Year ended 31 March 2023<br>(Rs. / Laacs) | Year ended 31 March 2022<br>(Rs. / Laacs) |
| A.     | Opening defined benefit obligation                       | 162.24                                    | 169.28                                    |
| B      | Current service cost                                     | 12.95                                     | 12.58                                     |
| C      | Interest cost  | 10.52                                     | 11.00                                     |
| D      | Actuarial (gain)/loss on obligation                      | 8.98                                      | (27.73)                                   |
| E      | Benefits paid  | (15.13)                                   | (5.31)                                    |
| F      | Acquisition adjustment                                   | (7.48)                                    | 2.42                                      |
|        | <b>Closing defined benefit obligations (A+B+C+D+E+F)</b> | <b>172.07</b>                             | <b>162.24</b>                             |

172.07

16.6.5 Movement in the fair value of the plan assets are as follows:

| S. No. | Particulars   | Gratuity Scheme (Funded)                  |   |
|--------|---|---|---|
|        |   | Year ended 31 March 2023<br>(Rs. / Laacs) | Year ended 31 March 2022<br>(Rs. / Laacs) |
| A      | Opening fair value of plan assets                         | 177.57                                    | 148.11                                    |
| B      | Actual return on plan assets                              | 12.07                                     | 9.78                                      |
| C      | Employer's contributions                                  | -   | -   |
| D      | Return on plan assets greater/(lesser) than discount rate | 18.54                                     | 19.68                                     |
| E      | Benefits paid   | -   | -   |
| F      | Actuarial gain / (loss)                                   | -   | -   |
|        | <b>Closing fair value of plan assets (A+B+C+D+E+F)</b>    | <b>208.18</b>                             | <b>177.57</b>                             |

The plan assets of the Company managed through a trust are managed by Life Insurance Corporation ("LIC") of India. The details of investments relating to these assets are not shown by LIC. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

The Company expects to make a contribution of Rs. 6.05 laacs (as at 31 March, 2022: Rs. 5.47 laacs) to the defined benefit plan during the next financial year.



**POWERLINKS TRANSMISSION LIMITED**

Notes to the financial statements for the year ended March 31, 2023

**16.6.6 Movement in the fair value of the defined benefit obligation:**

**Other Employee benefits (Non Funded)**

| S. No. | Particulars                         | Year ended<br>31 March 2023<br>(Rs in Laacs) | Year ended<br>31 March 2022<br>(Rs in Laacs) |
|--------|-------------------------------------|--|--|
| A      | Opening defined benefit obligation  | (53.20)                                      | (56.68)                                      |
| B      | Current service cost                | (5.06)                                       | (4.25)                                       |
| C      | Interest cost                       | (3.58)                                       | (3.58)                                       |
| D      | Actuarial (gain)/loss on obligation | 6.59   | 6.32   |
| E      | Benefits paid                       | 1.23   | -  |
| F      | Acquisition adjustment              | -  | -  |
|        |                                     | <b>(54.02)</b>                               | <b>(58.19)</b>                               |

**16.6.7 Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars  | Increase in assumption            |  | Decrease in assumption            |  | Increase in assumption            |  | Decrease in assumption            |  |
|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|--|
|  | Gratuity scheme (Funded)          | Post retirement defined benefit plan(Non Funded) | Gratuity scheme (Funded)          | Post retirement defined benefit plan(Non Funded) | Gratuity scheme (Funded)          | Post retirement defined benefit plan(Non Funded) | Gratuity scheme (Funded)          | Post retirement defined benefit plan(Non Funded) |
|  | As at 31 March 2023 (Rs in Laacs) |  | As at 31 March 2023 (Rs in Laacs) |  | As at 31 March 2022 (Rs in Laacs) |  | As at 31 March 2022 (Rs in Laacs) |  |
|  | (Decrease)/Increase               | (Decrease)/Increase                              | (Decrease)/Increase               | (Decrease)/Increase                              | (Decrease)/Increase               | (Decrease)/Increase                              | (Decrease)/Increase               | (Decrease)/Increase                              |
| Discount Rate (-/+0.5%)<br>(% change compared to base due to sensitivity)                    | (5.83)                            | (2.52)   | 6.22                              | 2.88   | (5.62)                            | (3.32)   | 6.01                              | 3.75   |
| Salary Growth Rate (-/+0.5%)<br>(% change compared to base due to sensitivity)               | 6.21                              | -  | (5.87)                            | -  | 5.97                              | 0.44   | (5.63)                            | (0.43)   |
| Attrition Rate (-/+ 5% of attrition rates)<br>(% change compared to base due to sensitivity) | (0.66)                            | (6.74)   | -                                 | -  | (1.77)                            | (12.99)  | -                                 | -  |
| Mortality Rate (+/- 1 year)<br>(% change compared to base due to sensitivity)                | -                                 | 1.31   | -                                 | (1.29)   | -                                 | 1.40   | -                                 | (1.37)   |
| Medical inflation rate(-/- 0.5%)   | -                                 | 2.78   | -                                 | (2.46)   | -                                 | 2.94   | -                                 | (2.59)   |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**16.6.8 The expected maturity analysis of defined benefit obligation is as follows:**

| Expected cash flows over the next | Year ended 31 March 2023<br>Gratuity scheme (Funded) | Year ended 31 March 2023<br>Post retirement defined benefit plan(Non Funded) | Year ended 31 March 2022<br>Gratuity scheme (Funded)<br>Rs in laacs | Year ended 31 March 2022<br>Post retirement defined benefit plan(Non Funded) |
|-----------------------------------|--|--|---|--|
| 1 year                            | 6.10   | 3.72   | 5.47  | 3.86   |
| 2 to 5 years                      | 72.07  | 19.97  | 64.10   | 17.31  |
| 6 to 10 years                     | 131.71   | 25.48  | 86.12   | 25.45  |
| More than 10 years                | -  | -  | -   | -  |

The average duration of the (Gratuity) defined benefit plan obligation at the end of the reporting period is 7.40 years. (31 March, 2019: 8.10 years)

The average duration of the (PRMB) defined benefit plan obligation at the end of the reporting period is 16.81 years. (31 March, 2019: 17.10 years)

**16.6.09 Actuarial assumptions for compensated absences**

| S. No. | Particulars                              | Refer note below | As at 31 March 2023                | As at 31 March 2022                 |
|--------|--|------------------|------------------------------------|-------------------------------------|
| i      | Discount rate (p.a.)                     | 1                | 7.30%                              | 6.80%                               |
| ii     | Expected rate of return on assets (p.a.) | 2                | 7.40%                              | 0.00%                               |
| ii     | Salary escalation rate (p.a.)            | 3                | Management- 7%, Non- Management-6% | Management- 7%, Non- Management- 6% |

**Notes**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The compensated absences plan is unfunded.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.



17. Deferred Tax Assets/(Liabilities) (net)

Accounting Policy

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets 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 end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

| Particulars                          | As at           | As at           |
|--------------------------------------|-----------------|-----------------|
|                                      | 31 March 2023   | 31 March 2022   |
|                                      | INR lacs        | INR lacs        |
| MAT credit entitlement               | 25,584.70       | 26,886.26       |
| Deferred tax liabilities             | (18,102.22)     | (17,895.66)     |
| Net Deferred tax Asset (liabilities) | <b>7,482.48</b> | <b>8,990.60</b> |

| Particulars   | Balance as at 01 | Recognised in Profit or | Recognised in other  | Balance as at   |
|---|------------------|-------------------------|----------------------|-----------------|
|   | April 2022       | Loss                    | comprehensive Income | 31 March 2023   |
| <b>Deferred tax assets/(liabilities) in relation to</b> |                  |                         |                      |                 |
| Service concession arrangement and others               | (17,895.66)      | (206.56)                | -                    | (18,102.22)     |
| MAT credit entitlement                                  | 26,886.26        | (1,301.56)              | -                    | 25,584.70       |
|   | <b>8,990.60</b>  | <b>(1,508.12)</b>       | -                    | <b>7,482.48</b> |

| Particulars   | Balance as at 01 | Recognised in Profit or | Recognised in other  | Balance as at   |
|---|------------------|-------------------------|----------------------|-----------------|
|   | April 2021       | Loss                    | comprehensive Income | 31 March 2022   |
| <b>Deferred tax (liabilities) / assets in relation to</b> |                  |                         |                      |                 |
| Service concession arrangement and others                 | (17,806.01)      | (89.65)                 | -                    | (17,895.66)     |
| MAT credit entitlement                                    | 28,078.36        | (1,192.10)              | -                    | 26,886.26       |
|   | <b>10,272.35</b> | <b>(1,281.75)</b>       | -                    | <b>8,990.60</b> |

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- The Company started availing the tax benefit under section 80IA of the Income Tax Act, 1961, with effect from the financial year 2011-12, whereby the Company is entitled to a tax holiday for 10 years. Deferred tax assets/(liabilities) as at 31 March, 2021, reflect the quantum of tax liabilities accrued up to year end but payable after the expiry of tax holiday period. The Tax holiday period has end on 31 March 2021.
- Deferred tax liabilities includes difference between carrying value of Service Concession Arrangement and tax base of Property, plant and equipment as at the year end.
- As on March 31, 2023 company has MAT credit entitlement aggregating to Rs. 25,584.75 lacs (March 31, 2022 : Rs.26886.26 lacs). For the purpose of ascertaining the recoverability of MAT credit, projections for future taxable profits are prepared and evaluated by the management at the end of each reporting period.



**Income taxes**

**Accounting Policy**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**17.1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

|   | Year ended<br>31 March 2023<br>(INR Lacs) | Year ended<br>31 March 2022<br>(INR Lacs) |
|---|---|---|
| <b>Income taxes</b>                                 |   |   |
| Income taxes recognised in profit & loss            |   |   |
| Current tax   |   |   |
| In respect of current year                          | 2,122.72                                  | 2,206.20                                  |
|   | <b>2,122.72</b>                           | <b>2,206.20</b>                           |
| Deferred tax (credit)/expense                       |   |   |
| <b>a) In respect of temporary differences</b>       | 206.56                                    | 89.65                                     |
| <b>b) MAT credit entitlement</b>                    |   |   |
| -In respect of Current year                         | 1,301.56                                  | 1,192.10                                  |
|   | <b>1,508.12</b>                           | <b>1,281.75</b>                           |
| <b>Total income tax expense/(credit) recognised</b> | <b>3,630.84</b>                           | <b>3,487.95</b>                           |

The income tax expense for the year can be reconciled to the accounting profit as follows:

|   | Year ended<br>31 March 2023<br>(INR Lacs) | Year ended<br>31 March 2022<br>(INR Lacs) |
|---|---|---|
| Profit before tax   | 11,738.67                                 | 12,627.04                                 |
| Statutory Income tax  | 29.120%                                   | 29.120%                                   |
| Tax at statutory income tax rate  | 3,418.30                                  | 3,676.99                                  |
| Add: Effect of expenses that are not deductible in determining taxable profit | (76.62)                                   | 99.03                                     |
| Less: Effect on tax due to tax holiday exemption under 80IA                   | -   | -   |
| Less: Other tax adjustment  | 57.87                                     | (288.07)                                  |
| Income tax expense recognised in the statement of profit or loss              | <b>3,399.55</b>                           | <b>3,487.95</b>                           |

The tax rate used for the financial years 2022-23 and 2021-22 is corporate tax rate of 29.12%. Reconciliations above is the corporate tax payable by corporate entities in India on taxable profits under the Indian tax law.

**Income tax recognised in other comprehensive income**

|   | Year ended<br>31 March 2023<br>(INR Lacs) | Year ended<br>31 March 2022<br>(INR Lacs) |
|---|---|---|
| <b>Current tax</b>  |   |   |
| Arising on Income and expenses recognised in other comprehensive income | (4.70)                                    | (15.65)                                   |
| Remasurements of defined benefit obligation                             | -   | -   |
| <b>Total income tax recognised in other comprehensive income</b>        | <b>(4.70)</b>                             | <b>(15.65)</b>                            |
|   | As at<br>31 March 2023<br>INR lacs        | As at<br>31 March 2022<br>INR lacs        |

**18. Trade payables**

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises.

|               |               |
|---------------|---------------|
| 157.14        | 1.48          |
| 409.07        | 525.85        |
| <b>566.21</b> | <b>527.33</b> |

**Trade Payables Ageing schedule as at 31 March, 2023**

| Particulars                   | Outstanding for following periods from due date of payment # |           |           |                   | Total  |
|-------------------------------|--|-----------|-----------|-------------------|--------|
|                               | Less than 1 Year   | 1-2 Years | 2-3 years | More than 3 years |        |
| (i) MSME                      | 157.14   | -         | -         | -                 | 157.14 |
| (ii) Others                   | 338.20   | 15.55     | 24.29     | 31.31             | 409.35 |
| (iii) Disputed dues with MSME | -  | -         | -         | -                 | -      |
| (iv) Disputed dues -others    | -  | -         | -         | -                 | -      |

# Where due date of payment is not available date of transaction has been considered

**Trade Payables Ageing schedule as at 31 March, 2022**

| Particulars                   | Outstanding for following periods from due date of payment # |           |           |                   | Total  |
|-------------------------------|--|-----------|-----------|-------------------|--------|
|                               | Less than 6 Months   | 1-2 Years | 2-3 years | More than 3 years |        |
| (i) MSME                      | 1.48   | -         | -         | -                 | 1.48   |
| (ii) Others                   | 439.51   | 28.88     | 57.46     | -                 | 525.85 |
| (iii) Disputed dues with MSME | -  | -         | -         | -                 | -      |
| (iv) Disputed dues -others    | -  | -         | -         | -                 | -      |

# Where due date of payment is not available date of transaction has been considered



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

|  | As at<br>31 March 2023<br>INR lacs | As at<br>31 March 2022<br>INR lacs |
|--|------------------------------------|------------------------------------|
| <b>19. Other Liabilities</b>             |                                    |                                    |
| <b>Current</b>                           |                                    |                                    |
| Statutory liabilities                    | 584.01                             | 489.63                             |
| Advance and progress payments received   | 703.00                             | 699.61                             |
| Other payables                           | 46.93                              | 72.27                              |
|  | <b>1,333.94</b>                    | <b>1,261.51</b>                    |
|  |                                    |                                    |
|  | As at<br>31 March 2023<br>INR lacs | As at<br>31 March 2022<br>INR lacs |
| <b>20. Current tax liabilities (net)</b> |                                    |                                    |
| Income Tax Payable                       | 9.82                               | -                                  |
|  | <b>9.82</b>                        | <b>-</b>                           |



## 21. Revenue from Operations

### Revenue recognition Accounting Policy

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for actual rebates given and other similar allowances.

#### 21.1 Service Concession Arrangement ('SCA')

##### a. Recognition and measurement

The Company had been set up to construct, operate and maintain 1,116 Kilometres of five 400 KV Double Circuit Transmission Line and 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. These transmission lines and related assets will be transferred to POWERGRID in terms of agreement at the end of the term of contract. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and from surplus power in Eastern India, which is being transferred to Northern India.

In terms of application of Ind AS 115, Appendix D "Service Concession Arrangement (SCA)", the fair value of future cash flows receivable under the above project have been initially recognised under financial assets as 'Receivables under Service Concession Arrangements' and have been recognised at amortised cost subsequently. The term of the TSA agreement between Power grid Corporation of India Limited and Powerlink Transmission Limited is 25 years and may be extended to 30 years.

With respect to SCA, revenue and costs are allocated between those relating to transmission services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in the concession arrangements is classified as financial asset, based on the nature of the payment entitlements established in the SCA.

##### b. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or to restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA consequent to the right available with the grantor under the transmission service agreement. In case of SCA under financial asset model, such costs are recognised in the period in which such costs are actually incurred.

##### c. Revenue recognition

Once the infrastructure is in operation, the treatment of income is recognised as Revenue from operations under SCA in accordance with the financial asset model using effective interest method. Revenues from operations and maintenance services and overlay services are recognised in each period as and when services are rendered.

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

##### e. Borrowing cost

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure is charged to the Statement of Profit and Loss in the period in which such costs are incurred.

#### 21.2 Rendering of services

Service Revenue primarily includes rendering of services for providing project management, consultancy and supervision services.

Revenue from consultancy and supervision services on time and material basis is recognised as services are rendered as it best depicts the value to the customers complete satisfaction of performance obligation.

Revenue from time and material contracts on fixed fee is recognized considering the extent of progress towards completion measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress.

If the Company has recognized revenue but not issued a bill, then the entitlement to consideration is recognized as a contract asset or unbilled revenue. The contract asset is transferred to receivable when the entitlement to payment becomes unconditional.

The Company receives payments from customers based on billing schedule established in contracts.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

#### 21.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue in respect of late payment surcharge is recognised as and when recovered because its ultimate collection is uncertain.



**Powerlinks Transmission Limited**  
Notes to the financial statements for the year ended March 31, 2023

|   | Year ended              | Year ended              |
|---|-------------------------|-------------------------|
|   | 31 March 2023           | 31 March 2022           |
|   | INR lacs                | INR lacs                |
| <b>Revenue from Operations</b>                      |                         |                         |
| (i) Income from Service concession arrangement      | 12,604.72               | 13,067.09               |
| (ii) Incentive on transmission service charges      | 177.50                  | 177.01                  |
| (Less): Cash discount                               | (79.65)                 | (47.85)                 |
|   | <u>12,702.57</u>        | <u>13,196.25</u>        |
| <b>Other Operating Revenue</b>                      |                         |                         |
| Consultancy, project management and supervision fee | -                       | 6.57                    |
| Way leave charges income                            | 95.57                   | 664.85                  |
| Miscellaneous                                       | 62.96                   | 2.52                    |
|   | <u>158.53</u>           | <u>673.94</u>           |
|   | <u><b>12,861.10</b></u> | <u><b>13,870.19</b></u> |

Based on the Order dated 2nd November 2021 the Company has revised its billing from FY 22. During the previous year CERC has allowed way leave charges to be recovered from beneficiaries. Previous Year figure includes way leave charges from April 15 to 31 March 2022.

**21.4 Contract Balances**

The Company primality earns revenue from transmission service income

**Contract Balances**

| Particulars                                 | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| <b>Contract Assets</b>                      |                      |                      |
| Work in progress against customer contracts | 107.29               | 107.29               |
|   | <u>107.29</u>        | <u>107.29</u>        |
| <b>Contract liabilities</b>                 |                      |                      |
| - Advance from consumers                    | 703.00               | 699.61               |
| - Income received in advance                | -                    | 0.01                 |
|   | <u>703.00</u>        | <u>699.62</u>        |
| <b>Receivables</b>                          |                      |                      |
| - Trade Receivables (Gross) (refer note 10) | 2,562.29             | 3,009.63             |
| Less : Allowances for doubtful debts        | (345.39)             | (11.75)              |
|   | <u>2,216.90</u>      | <u>2,997.88</u>      |

Significant changes in the contract assets and the contract liabilities balances during the year/period are as follows

| Particulars   | As at March 31, 2023 |                      | As at March 31, 2022 |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Contract Assets      | Contract Liabilities | Contract Assets      | Contract Liabilities |
| Opening Balance   | 107.29               | 699.62               | 132.29               | 5,987.01             |
| Less : Revenue recognized during the year from balance at the beginning of the year | -                    | -                    | -                    | (988.11)             |
| Add : Advance received during the year not recognized as revenue                    | -                    | 3.39                 | -                    | 2.88                 |
| Transfer from contract assets to receivables  | -                    | -                    | -                    | (844.87)             |
| Contract liabilities refunded during the year                                       | -                    | -                    | -                    | (3,457.27)           |
| Add : Work in progress against the contract Liabilities                             | -                    | -                    | -                    | -                    |
| Less: Contract assets reversed during the year                                      | -                    | -                    | (25.00)              | -                    |
| Closing Balance   | <u>107.29</u>        | <u>703.01</u>        | <u>107.29</u>        | <u>699.64</u>        |

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate value of performance obligations that are completely or partially satisfied as of March 31, 2023, other than those meeting the exclusion criteria mentioned above, is Rs.626.68 lacs (previous year : Rs 623.41 Lacs) .Out of this, the Company expects to recognize revenue 100% within next one year .



Powerlinks Transmission Limited  
 Notes to the financial statements for the year ended March 31, 2023

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
|   | INR lacs                    | INR lacs                    |
| <b>22. Other Income</b>                         |                             |                             |
| <b>Interest Income</b>                          |                             |                             |
| Interest on banks deposits                      | 139.76                      | 122.56                      |
| Surcharge on late payment received              | 288.62                      | 74.22                       |
|   | <u>428.38</u>               | <u>146.78</u>               |
| <b>Gain on Investments</b>                      |                             |                             |
| Change in fair value of mutual fund investments | 593.57                      | 398.63                      |
|   | <u>593.57</u>               | <u>398.63</u>               |
|   | <u>1,021.95</u>             | <u>545.41</u>               |

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23. Employee Benefits Expense

Accounting Policy

23.1 Retirement benefit costs and termination benefits

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**Defined benefits plans**

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements;
- Net interest expense or income

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

23.2 Short term and other long-term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of Profit and loss account of the reporting period in which the related service rendered. These benefits includes wages, salaries and performance incentive.

Liabilities recognised in respect of other long-term employee benefits like annual leave and sick leave is provided on the basis of actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
|   | INR lacs                    | INR lacs                    |
| Salaries and wages                          | 800.19                      | 781.48                      |
| Contribution to provident fund & other fund | 62.61                       | 54.17                       |
| Gratuity                                    | 33.09                       | 9.86                        |
| Staff welfare expenses                      | 72.58                       | 100.34                      |
|   | <b>968.47</b>               | <b>945.85</b>               |

24. Finance Costs

Accounting Policy

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

|   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|---|-----------------------------|-----------------------------|
|   | INR lacs                    | INR lacs                    |
| <b>Interest Expense:</b>                  |                             |                             |
| <b>Others</b>                             |                             |                             |
| Interest on lease liabilities (note : 15) | 74.96                       | 76.30                       |
| Interest on delayed payment of income tax | 0.02                        | 3.06                        |
|   | 74.98                       | 79.36                       |
| <b>Other Borrowing Cost:</b>              |                             |                             |
| Other finance costs                       | 2.30                        | 2.06                        |
|   | 2.30                        | 2.06                        |
|   | <b>77.28</b>                | <b>81.42</b>                |



Year ended  
31 March 2023

Year ended  
31 March 2022



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

|  | INR lacs                               | INR lacs      |
|--|--|---------------|
| <b>25. Transmission, administration and other expenses</b>   |  |               |
| Rent   | 9.27                                   | 9.55          |
| Repairs and maintenance  | 37.49                                  | 50.82         |
| Rates and taxes (refer note A)   | 2.31                                   | 3.52          |
| Insurance  | 10.65                                  | 14.00         |
| Other Operation expenses   | 121.13                                 | 126.45        |
| Travelling and Vehicle Hire Charges  | 50.44                                  | 63.77         |
| Consultants' fees  | 34.80                                  | 38.04         |
| Legal & professional charges   | 43.82                                  | 46.28         |
| Payment to auditors (refer note B)   | 23.35                                  | 23.35         |
| Cost of services procured  | 69.98                                  | 76.58         |
| Bad Debts  | -                                      | 7.35          |
| Provision for Doubtful Debts and Advances (Net)  | 394.07                                 | 11.75         |
| Corporate social responsibility expenses (refer note C)  | 213.00                                 | 215.50        |
| Miscellaneous expenses   | 20.01                                  | 6.02          |
|  | <b>1,030.32</b>                        | <b>692.98</b> |
| <b>A. Rates and taxes</b>  | 33.81                                  | 35.02         |
| Less: reimbursements received/receivable for application fee and license fee paid  | (31.50)                                | (31.50)       |
|  | <b>2.31</b>                            | <b>3.52</b>   |
| <b>B. Payment to auditors (including taxes)</b>  |  |               |
| (a) for Statutory audit  | 9.39                                   | 9.39          |
| (b) for Limited review   | 10.80                                  | 10.80         |
| (b) for Tax audit  | 2.19                                   | 2.19          |
| (c) for Certification fee & Other services   | -                                      | -             |
| (d) Reimbursement of expenses  | 0.97                                   | 0.97          |
|  | <b>23.35</b>                           | <b>23.35</b>  |
| <b>C. Corporate social responsibility expenses</b>   |  |               |
| a. Gross amount required to be spent by the Company during the year ended 31 March, 2023 Rs. 213.00 lacs (Previous year Rs. 215.50 lacs).                                  |  |               |
| b. Amount spent during the year ended 31 March, 2023:  |  |               |
|  | <b>(All amounts are in Rs. / Lacs)</b> |               |
| <b>Particulars</b>   | <b>Paid</b>                            |               |
| (a) amount required to be spent by the Company   | 213.00                                 |               |
| (b) Amount of expenditure incurred   | (215.50)                               |               |
| (c) shortfall at the end of the year   | 213.00                                 |               |
| (d) total of previous year shortfall   | (141.92)                               |               |
| (e) reason for shortfall   | -                                      |               |
| (f) nature of CSR activities   | (73.58)                                |               |
| (g) detail of realted party transactions   | -                                      |               |
| (h) where a provision is made with respect to a liability incurred into a contractual obligation, the movement in the provision during the year should be shown separately | -                                      |               |
| (Note: Figures in brackets pertains to the previous year.)   | -                                      |               |
| <b>D. System operation charges</b>   | 98.26                                  | 133.04        |
| Less: recoverable from beneficiaries   | (98.26)                                | (133.04)      |
|  | -                                      | -             |



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**26 Segment Reporting**

The Company had been set up to construct, operate and maintain 1,116 Kilometres of five 400 KV Double Circuit Transmission Line and 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. The Company has obtained the Transmission License from CERC for setting up the Project on a BOOT basis and for selling its entire available transmission capacity exclusively to POWERGRID under transmission service agreement.

The Company has determined its operating segment as Transmission Service Income, based on the information reported to the chief operating decision maker (CODM) i.e. Board of Directors in accordance with the requirements of Indian Accounting Standard 108-Operating Segment Reporting, notified under the Companies (Indian Accounting Standards) Rules, 2015.

The Company has "Transmission Service Income" as single reportable segment.

**27 Earnings per share**

Accounting Policy

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

b) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax affect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended 31 March 2023.

| Particulars |   | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|-------------|---|-----------------------------|-----------------------------|
| a.          | Profit for the year   | Laacs                       |                             |
|             |   | 8,107.83                    | 9,139.09                    |
| b.          | Weighted average number of equity shares used in computing the basic and diluted earnings per share | No. of shares               |                             |
|             |   | 46,80,00,000.00             | 46,80,00,000.00             |
| c.          | Earnings per share basic and diluted  | Rs.                         |                             |
|             |   | 1.73                        | 1.95                        |

**28 Contingent liabilities**

Accounting Policy

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

| Particulars   | As at          | As at           |
|---|----------------|-----------------|
|   | 31 March, 2023 | 31 March, 2022  |
|   | INR lacs       | INR lacs        |
| A. Claims against the Company not acknowledged as debts *                   |                |                 |
| - Disputed demands raised by sales tax authorities [refer (a) below]        | 329.13         | 5,754.93        |
| - Disputed demands raised by income tax authorities [refer (b) & (c) below] | -              | -               |
| - others  | 413.02         | 393.71          |
|   | <u>742.15</u>  | <u>6,148.64</u> |

\* No provision is considered necessary since the Company expects favourable decisions.

(a) The amount represent demand amounting to Rs.160.55 Laacs and interest accruing at rate of 18% p.a. amounting to Rs.168.58 Laacs levied by the office of the Deputy Commissioner, Commercial Taxes (DCCT) for the Financial Year 2004-05 to 2009-10 under section 10A of Central Sales Tax Act. The Company is in process of filing revision and stay petition in High Court Lucknow.

(b) Additional Commissioner of Income tax has made additions to income amounting to Rs.1,485 Laacs on account of excess deduction claimed by assessee under Section 80IA of Income Tax Act for AY 2012-13. Company has filed appeal with Commissioner of Income tax (Appeals), company is confident that no liability will devolve against it.

(c.) Additional Commissioner of Income tax has made additions to income amounting to Rs.1,016.22 Laacs on account of disallowance of depreciation, amounting Rs 122.78 lacs on account of disallowance of rebate on transmission charges, amounting Rs 52.48 lacs on account of disallowance under section 80G and amounting Rs 59.89 lacs on account of disallowance of any other amount claimed on Schedule BP for AY 2017-18. Company has filed appeal with Commissioner of Income tax (Appeals), company is confident that no liability will devolve against it.

- B. The Company had paid income tax amounting to Rs. 1,249.19 lacs (including interest of Rs. 136.55 lacs due to delayed payments) during the year ended 31 March, 2009 towards income taxable on account of Advance Against Depreciation (AAD) allowed by the CERC for the years ended 31 March, 2008 and 2009 pursuant to an advance ruling given in case of National Hydroelectric Power Corporation Limited (NHPC) by Income Tax Authorities for Advance Rulings which opined that tax was payable on AAD. The Company had recorded transmission service income of Rs. 594.66 lacs and Rs. 654.53 lacs during the year ended 31 March, 2008 and 31 March, 2009 respectively against the aforesaid tax payment.

As per the Supreme Court ruling dated 5 January, 2010 in case of "National Hydroelectric Power Corporation Limited Vs Commissioner of Income Tax", the Supreme Court had opined that AAD cannot be considered as income being received in advance which would be taxed in the year in which income is accrued. Accordingly, the Company had revised its income tax returns in August 2010 and claimed a refund of Rs. 611.40 lacs and Rs. 636.14 lacs for the years ended 31 March, 2008 and 31 March, 2009 respectively.

The Company had received a refund of Rs. 636.14 lacs (including interest of Rs. 51.19 lacs) pertaining to the year ended 31 March, 2009 during the year ended 31 March, 2013. Accordingly, the Company had made an adjustment to transmission service charges amounting to Rs. 654.53 lacs (including tax adjustment related to the refund amount) in the earlier year, the refund of interest of Rs. 51.19 lacs was included under "other income" and refund of tax amount of Rs. 580.38 lacs was credited to the Statement of Profit and Loss at current tax adjustment relating to prior years.



**Powerlinks Transmission Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

The accounting for tax paid on Advance Against Depreciation for the year ended 31 March, 2008 would be done on its receipt and will be based on the prevalent tariff regulations.

**29 Commitments**

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | 31 March, 2023 | 31 March, 2022 |
|   | INR lacs       | INR lacs       |
| a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for   | 57.23          | 56.14          |
| b. The Company has other commitments, for purchases/service orders which are issued after considering requirements per operating cycle for purchase / sale of services, in the normal course of business. |                |                |
| c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.  |                |                |

**30** On June 3, 2022 Ministry of Power has notified Electricity (Late Payment Surcharge) Rules 2022 which are applicable to the outstanding dues of the generation companies, inter-state transmission licensees and electric trading companies. As per Rule 5 of the aforesaid notification, the total outstanding dues including late payment surcharge upto the date of notification of these LPSC rules shall be rescheduled and due date will be re-determined for payment in equal monthly instalments as applicable to Discoms. As per the letter dated August 18, 2022 from Central transmission Utility of India Limited, Six Discoms have opted for installment schemes. The Company was notified for payment of outstanding dues of INR 962 lacs as on March 31, 2023. As per IND AS 109, Company has recognised expected credit loss of INR 104 lacs by discounting future cash flows at incremental borrowing rate of 8.42% and reclassified trade receivables amounting to INR 318.29 lacs as long term financial assets as at March 31, 2023.

**31** Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | 31 March, 2023 | 31 March, 2022 |
| (a) Principal amount remaining unpaid   | 157.14         | 1.48           |
| (b) Interest due thereon  | -              | -              |
| (c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.   | -              | -              |
| (d) 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 the MSMED Act, 2006  | -              | -              |
| (e) The amount of interest accrued and remaining unpaid at the end of each accounting year  | -              | -              |
| (f) 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 | -              | -              |

It includes amount payable in the nature of capital creditors



**Powerlinks Transmission Limited**  
Notes to the financial statements for the year ended March 31, 2023

**32 Related party transactions**

The Company's material related party transactions and outstanding balances are with whom the Company routinely enters into transactions in the ordinary course of business.

**a. List of related parties**

- (i) Joint Venture  
The Tata Power Company Limited (TPCL)  
Power Grid Corporation of India Limited (PGCIL)
- (ii) Subsidiary of Joint Venture  
Tata Power Delhi Distribution Limited  
Central Transmission Utility of India Limited (CTUIL)
- (iii) Promoters holding more than 20% in controlling entities with its subsidiary  
Tata Sons Private Limited  
President of India represented through Ministry of Power
- (iv) Key Management Personnel  
Kiran Gupta- Chief Executive Officer & Executive Director w.e.f 1.11.2020  
Monica Mehra -Company Secretary till 31.10.2021  
Ajay Kalsie -Company Secretary w.e.f 01.11.2021  
Mohit Jain- Chief Financial Officer till 17.03.2021  
Nita Jha- Chief Financial Officer till 28.03.2023  
Avinash Chander Dhawan -Chief Financial Officer w.e.f 28.03.2023
- (v) Others- Post employment benefit plan  
Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme  
Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme

**b. Transactions/balances outstanding with Related Parties**

| S. No.                              | Particulars   | Joint Venture    |                  |                    | Subsidiary of Joint Venture |        |           | Key Management Personnel (KMP)             |   |  | Others- Post employment benefit plan |       |   | D.R. fees                |
|-------------------------------------|---|------------------|------------------|--------------------|-----------------------------|--------|-----------|--|---|--|--------------------------------------|-------|---|--------------------------|
|                                     |   | (TPCL)           | (PGCIL)          | Sub total          | CTUIL (refer note 34)       | TPDDL  | Sub total | Transmission Limited Life Assurance Scheme | Powerlinks Group Gratuity Cum Life Assurance Scheme | Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme | Sub total                            | Total |   |                          |
| <b>Transactions during the year</b> |   |                  |                  |                    |                             |        |           |  |   |  |                                      |       |   |                          |
| 1                                   | Transmission service charges                        | -                | -                | -                  | 12,604.72<br>(13,067.09)    | -      | -         | 12,604.72<br>(13,067.09)                   | -   | -  | -                                    | -     | - | 12,604.72<br>(13,067.09) |
| 2                                   | Incentive on transmission service charges           | -                | -                | -                  | 177.50<br>(177.01)          | -      | -         | 177.50<br>(177.01)                         | -   | -  | -                                    | -     | - | 177.50<br>(177.01)       |
| 3                                   | Way leave charges income                            | -                | -                | -                  | 95.57                       | -      | -         | 95.57                                      | -   | -  | -                                    | -     | - | 95.57                    |
| 3                                   | Surcharge   | -                | -                | -                  | 288.62<br>(24,22)           | -      | -         | 288.62<br>(24,22)                          | -   | -  | -                                    | -     | - | 288.62<br>(24,22)        |
| 4                                   | Managerial remuneration (see note 1 & note 2 below) | -                | -                | -                  | -                           | -      | -         | -  | 251.80<br>(157.60)                                  | -  | -                                    | -     | - | 251.80<br>(157.60)       |
| 5                                   | Rebate on transmission charges                      | -                | -                | -                  | 79.65<br>(47.85)            | -      | -         | 79.65<br>(47.85)                           | -   | -  | -                                    | -     | - | 79.65<br>(47.85)         |
| 6                                   | Reimbursement of expenses by the Company            | 81.73<br>(70.78) | 31.68<br>(42,21) | 113.41<br>(112,99) | -                           | (6,29) | -         | -  | -   | (6,29)   | -                                    | -     | - | 113.41<br>(119,28)       |





Powerlinks Transmission Limited  
Notes to the financial statements for the year ended March 31, 2023

| S. No. | Particulars                          | Joint Venture |             |             | Subsidiary of Joint Venture |       |            | Key Management Personnel (KMP)   |   |  | Others- Post employment benefit plan |       |     | INR lacs |
|--------|--------------------------------------|---------------|-------------|-------------|-----------------------------|-------|------------|--|---|--|--------------------------------------|-------|-----|----------|
|        |                                      | (TPCL)        | (PGCIL)     | Sub total   | CTUIL (refer note 34)       | TPDDL | Sub total  | Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme | Powerlinks Limited Group Gratuity Cum Life Assurance Scheme | Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme | Sub total                            | Total |     |          |
| 12     | Share capital                        |               |             |             |                             |       |            |  |   |  |                                      |       |     |          |
|        | As at 31.03.2023                     | 23,868.00     | 22,932.00   | 46,800.00   | -                           | -     | -          | -  | -   | -  | -                                    | -     | -   |          |
|        | (As at 31.03.2022)                   | (23,868.00)   | (22,932.00) | (46,800.00) | (-)                         | (-)   | (-)        | (-)  | (-)   | (-)  | (-)                                  | (-)   | (-) |          |
| 13     | Trade payables                       |               |             |             |                             |       |            |  |   |  |                                      |       |     |          |
|        | As at 31.03.2023                     | 37.53         | 8.35        | 45.88       | -                           | -     | -          | -  | -   | -  | -                                    | -     | -   |          |
|        | (As at 31.03.2022)                   | (31.47)       | (16.49)     | (47.96)     | (-)                         | (-)   | (-)        | (-)  | (-)   | (-)  | (-)                                  | (-)   | (-) |          |
| 14     | Advance from customers               |               |             |             |                             |       |            |  |   |  |                                      |       |     |          |
|        | As at 31.03.2023                     | -             | -           | -           | 74.15                       | -     | 74.15      | -  | -   | -  | -                                    | -     | -   |          |
|        | (As at 31.03.2022)                   | (-)           | (-)         | (-)         | (74.15)                     | (-)   | (74.15)    | (-)  | (-)   | (-)  | (-)                                  | (-)   | (-) |          |
| 15     | Trade receivables                    |               |             |             |                             |       |            |  |   |  |                                      |       |     |          |
|        | As at 31.03.2023                     | -             | -           | -           | 2,561.77                    | -     | 2,561.77   | -  | -   | -  | -                                    | -     | -   |          |
|        | (As at 31.03.2022)                   | (-)           | (-)         | (-)         | (1,744.99)                  | (-)   | (1,744.99) | (-)  | (-)   | (-)  | (-)                                  | (-)   | (-) |          |
| 16     | System operation charges recoverable |               |             |             |                             |       |            |  |   |  |                                      |       |     |          |
|        | As at 31.03.2023                     | -             | -           | -           | 55.19                       | -     | 55.19      | -  | -   | -  | -                                    | -     | -   |          |
|        | (As at 31.03.2022)                   | (-)           | (-)         | (-)         | (42.61)                     | (-)   | (42.61)    | (-)  | (-)   | (-)  | (-)                                  | (-)   | (-) |          |

Balances outstanding as at the year end:



Powerlinks Transmission Limited

Notes to the financial statements for the year ended March 31, 2023

33 Financial instruments

33.1 Fair value measurement:

Amount in laes

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

|  | Fair value through P&L | Fair value through OCI | Amortised cost   | Total carrying value | Total fair value |
|--|------------------------|------------------------|------------------|----------------------|------------------|
| <b>Assets:</b>                             |                        |                        |                  |                      |                  |
| Service concession arrangement-Non Current | -                      | -                      | 73,648.25        | 73,648.25            | 73,648.25        |
| Other financial assets-Non Current         | -                      | -                      | 36.86            | 36.86                | 36.86            |
| Cash and cash equivalents                  | -                      | -                      | 27.17            | 27.17                | 27.17            |
| Other bank balances                        | -                      | -                      | 2,425.42         | 2,425.42             | 2,425.42         |
| Investments                                | 10,306.70              | -                      | -                | 10,306.70            | 10,306.70        |
| Trade receivables                          | -                      | -                      | 2,216.90         | 2,216.90             | 2,216.90         |
| Unbilled revenues                          | -                      | -                      | -                | -                    | -                |
| Service concession arrangement- Current    | -                      | -                      | 1,518.77         | 1,518.77             | 1,518.77         |
| Other financial assets- Current            | -                      | -                      | 143.34           | 143.34               | 143.34           |
| <b>Total</b>                               | <b>10,306.70</b>       | <b>-</b>               | <b>80,016.71</b> | <b>90,323.41</b>     | <b>90,323.41</b> |
| <b>Liabilities:</b>                        |                        |                        |                  |                      |                  |
| Lease Liability-Non current                | -                      | -                      | 747.02           | 747.02               | 747.02           |
| Trade payables                             | -                      | -                      | 566.21           | 566.21               | 566.21           |
| Other financial liabilities- Current       | -                      | -                      | -                | -                    | -                |
| Lease Liability-Current                    | -                      | -                      | 660.72           | 660.72               | 660.72           |
| <b>Total</b>                               | <b>-</b>               | <b>-</b>               | <b>1,973.95</b>  | <b>1,973.95</b>      | <b>1,973.95</b>  |

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

|  | Fair value through P&L | Fair value through OCI | Amortised cost   | Total carrying value | Total fair value |
|--|------------------------|------------------------|------------------|----------------------|------------------|
| <b>Assets:</b>                             |                        |                        |                  |                      |                  |
| Service concession arrangement-Non Current | -                      | -                      | 74,667.49        | 74,667.49            | 74,667.49        |
| Other financial assets-Non Current         | -                      | -                      | 36.86            | 36.86                | 36.86            |
| Cash and cash equivalents                  | -                      | -                      | 380.15           | 380.15               | 380.15           |
| Other bank balances                        | -                      | -                      | 2,262.12         | 2,262.12             | 2,262.12         |
| Investments                                | 8,075.48               | -                      | -                | 8,075.48             | 8,075.48         |
| Trade receivables                          | -                      | -                      | 2,997.88         | 2,997.88             | 2,997.88         |
| Unbilled revenue                           | -                      | -                      | -                | -                    | -                |
| Service concession arrangement- Current    | -                      | -                      | 1,384.65         | 1,384.65             | 1,384.65         |
| Other financial assets- Current            | -                      | -                      | 113.92           | 113.92               | 113.92           |
| <b>Total</b>                               | <b>8,075.48</b>        | <b>-</b>               | <b>81,843.07</b> | <b>89,918.55</b>     | <b>89,918.55</b> |
| <b>Liabilities:</b>                        |                        |                        |                  |                      |                  |
| Lease Liability-Non current                | -                      | -                      | 713.59           | 713.59               | 713.59           |
| Trade payables                             | -                      | -                      | 527.33           | 527.33               | 527.33           |
| Other financial liabilities- Current       | -                      | -                      | -                | -                    | -                |
| Lease Liability-Current                    | -                      | -                      | 619.19           | 619.19               | 619.19           |
| <b>Total</b>                               | <b>-</b>               | <b>-</b>               | <b>1,860.11</b>  | <b>1,860.11</b>      | <b>1,860.11</b>  |

The management of the company consider that the carrying amount of the financial asset & financial liabilities at amortized cost approximate their fair value.

**Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**33.2 The following table summarises financial assets and liabilities measured at fair value on a recurring basis;**

As at March 31, 2023

|                          | Level 1  | Level 2          | Level 3  | Total            |
|--------------------------|----------|------------------|----------|------------------|
| <b>Financial assets:</b> |          |                  |          |                  |
| Mutual fund Investment   | -        | 10,306.70        | -        | 10,306.70        |
| <b>Total</b>             | <b>-</b> | <b>10,306.70</b> | <b>-</b> | <b>10,306.70</b> |

As at March 31, 2022

|                          | Level 1  | Level 2         | Level 3  | Total           |
|--------------------------|----------|-----------------|----------|-----------------|
| <b>Financial assets:</b> |          |                 |          |                 |
| Mutual fund Investment   | -        | 8,075.48        | -        | 8,075.48        |
| <b>Total</b>             | <b>-</b> | <b>8,075.48</b> | <b>-</b> | <b>8,075.48</b> |



**33.3 Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholder through optimisation of debt and equity balance.

The Capital structure of the Company consists of net debt (external borrowings offset by cash and bank balances as detailed in notes 12 and 13) and total equity of the Company.

The management reviews the capital structure of the Company on a quarterly basis. As part of this review, the management considers cost of capital and the risks associated with each class of capital. The Company monitors capital using gearing ratio, which is net debt divided by total equity. The Company's policy is to keep the gearing ratio between 0% and 20%

**33.4 Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

|                              | (All amounts in Rs. Laacs) |                          |
|------------------------------|----------------------------|--------------------------|
|                              | As at<br>31st March 2023   | As at<br>31st March 2022 |
| Debt (i)                     |                            |                          |
| Cash and bank balances (ii)  | (2,452.59)                 | (2,642.27)               |
| <b>Net debt</b>              | <b>(2,452.59)</b>          | <b>(2,642.27)</b>        |
| <b>Total Equity</b>          | <b>96,759.67</b>           | <b>97,532.39</b>         |
| Net debt to equity ratio (%) | -                          | -                        |

**Note**

(i) Debt is defined as long term and short term borrowings.

(ii) Cash and bank balances is defined as cash and cash equivalents and bank balances other than cash and cash equivalents as described in note 12 and 13.

(iii) The Company has no external borrowing as on 31 March 2023 therefore gearing ratio is zero.

**33.5 Financial risk management**

The Company's activities expose it to a variety of financial risks which includes market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised below.

**(i) Market risk**

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The Company's activities expose it primarily to price risk [see note (ia) below]. Company do not have any currency risk as there is no currency other than reporting currency involved. Since the Company does not have borrowing hence there is no risk to the company on account of fluctuation of interest rate. Financial instruments affected by market risk are FVTPL investments.



**POWERLINKS TRANSMISSION LIMITED**  
**Notes to the financial statements for the year ended March 31, 2023**

**(ia) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held.

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

| Particulars                 | As at<br>31st March 2023<br>INR Lacs | As at<br>31st March 2022<br>INR Lacs |
|-----------------------------|--------------------------------------|--------------------------------------|
| Investments in mutual funds | 10,306.70                            | 8,075.48                             |

**Price Sensitivity**

For the year ended 31 March, 2023 and 31 March, 2022, every 0.50 percentage increase / decrease in the NAV of investments, will affect the Company's profit before tax by Rs 49 lacs and Rs.51.25 lacs, respectively.

**(ii) Credit risk management**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company had entered into a Transmission Agreement (Refer Note no. 3) with POWERGRID, whereby the Company earns revenue significantly from one customer, i.e. POWERGRID. In respect of trade and other receivables and other non current assets, there are no indicators as at the year end that defaults in payment obligation will occur.

**(iii) Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows. The Company generates sufficient cash flows from current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. Below note sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

| Expected maturity for financial liabilities | 0-1 year        | 1-5 years     | 5+ years        | Total           |
|---|-----------------|---------------|-----------------|-----------------|
| <b>31 March, 2023</b>                       |                 |               |                 |                 |
| Lease Liability                             | 660.72          | 286.71        | 1,311.68        | 2,259.11        |
| Trade payables                              | 566.21          | -             | -               | 566.21          |
| Other financial liabilities                 | -               | -             | -               | -               |
| <b>Total</b>                                | <b>1,226.93</b> | <b>286.71</b> | <b>1,311.68</b> | <b>2,825.32</b> |
| <b>31 March, 2022</b>                       |                 |               |                 |                 |
| Lease Liability                             | 619.19          | 488.39        | 1,202.18        | 2,309.76        |
| Trade payables                              | 527.33          | -             | -               | 527.33          |
| Other financial liabilities                 | -               | -             | -               | -               |
| <b>Total</b>                                | <b>1,146.52</b> | <b>488.39</b> | <b>1,202.18</b> | <b>2,837.09</b> |

- 34 Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, a Government Company and wholly owned subsidiary of Powergrid, as the Central Transmission Utility' (CTU) to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. POWERGRID shall continue to be a deemed Transmission Licensee under the Act and discharge functions incidental and connected therewith and would also undertake functions as directed by the Central Government or Authority in that regard.

In pursuant to referred notification, the functions of CTU are transferred from PGCIL to CTUIL, w.e.f. 01.04.2021.



35 Financial Ratios

| Sl No | Ratios                           | Numerator                            | Denominator          | As at<br>31st March, 2023 | As at<br>31st March, 2022 | % of Variance | Reason for Variance   |
|-------|----------------------------------|--------------------------------------|----------------------|---------------------------|---------------------------|---------------|---|
| a)    | Current Ratio                    | Current Assets                       | Current Liabilities  | 6.56                      | 6.41                      | 2%            | Difference due to increase in surplus funds and higher Statutory liabilities in previous year |
| b)    | Return on equity ratio           | Net Profit                           | Total Equity         | 8%                        | 9%                        | -11%          | Lower due to 9months profit in CY and 12 months profit in PY.                                 |
| c)    | Trade receivables turnover ratio | Average Trade Receivables            | Gross Sales          | 74.09                     | 72.72                     | 2%            | Lower due to 9months profit in CY and 12 months profit in PY.                                 |
| d)    | Trade payables turnover ratio    | Average Trade Payables               | Net Credit purchases | 296.77                    | 299.36                    | -1%           | Timing difference, as CY pertains to 9 months and PY 12 months                                |
| e)    | Net capital turnover ratio       | Net Sales                            | Working capital      | 0.89                      | 1.01                      | -12%          | -   |
| f)    | Return on capital employed       | Earning before interest and taxes    | capital Employed     | 0.09                      | 0.11                      | -11%          | -   |
| g)    | Return on investment             | Interest Income—Income on Investment | Average Investment   | 0.06                      | 0.05                      | 14%           | -   |

36 The Code on Social Security, 2020

The Code on Social Security 2020, (Code) has been notified in the Official Gazette on September 29, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

37 Other Statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

38 Previous period figures are regrouped wherever necessary.



39 Approval of financial statements

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on April 20, 2023

As per our report of even date

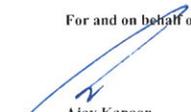
**For S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No-301003E/00005

  
per **Ajay Bansal**  
Partner  
Membership No: 502243



Place: Gurugram  
Date: 20 April 2023

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

  
**Ajay Kapoor**  
Director  
DIN: 00466631  
Place: Noida

  
**Avinash Chander Dhawan**  
Chief Financial Officer  
Place: Noida  
Date: 20 April 2023

  
**Kiran Gupta**  
Chief Executive Officer  
& Executive Director  
DIN: 08196580  
Place: Noida

  
**Ajay Kalsie**  
Company Secretary  
Membership No: 13810  
Place: Noida  
Date: 20 April 2023



