

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED**  
**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Power Grid Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to the following matter in the notes to the Standalone financial statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)]

Our opinion is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><b>Recognition of Revenue from Transmission Income</b></p> <p>Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> </ul>

	<p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35(b) Standalone Financial Statement)</p>	<ul style="list-style-type: none"> <li>Verified on test basis, the income recognised on provisional basis as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOC0) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul>
<p>2</p>	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No.26 of Standalone financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>Reviewing the current status of availability of MAT credits.</li> <li>Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul>
<p>3</p>	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matter.</p> <p>(Refer Note No. 58 of Standalone financial statements)</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> <li>Reviewing the current status and material developments of legal matters.</li> <li>Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the **Annexure '2'** our report on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued thereunder;
  - (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
  - (g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 58 to the Standalone financial statements.
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### For T R CHADHA & CO LLP

Chartered Accountants  
FRN : 006711N/N500028

### For UMAMAHESWARA RAO & CO

Chartered Accountants  
FRN : 004453S

### For B M CHATRATH & CO LLP

Chartered Accountants  
FRN : 301011E/E300025

### For PSD & ASSOCIATES

Chartered Accountants  
FRN : 004501C

### Neena Goel

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### Satish Chandra Sharma

Partner  
M. No. 072846  
UDIN: 21072846AAAAG4522  
Place: Jaipur

Date: 17 June 2021

**Annexure ‘1’ to the Independent Auditors’ Report**

As referred to in our Independent Auditors’ Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2021, we report that:

- (i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets (Property, Plant & Equipment).
- b) The fixed assets (Property, Plant & Equipment) have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except:

	No. of Cases	Cost (₹ in Crores)	Net Block (₹ in Crores)
Leasehold Land	10	147.19	139.67
Freehold Land	23	151.63	151.63
Buildings (Flats in Mumbai)	28	2.96	1.02

- (ii) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In view of the above, the clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. However, the following disputed demands of Income Tax, Sales Tax, Service Tax, Value Added Tax and Cess dues have not been deposited:

Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.58	For the F.Y. 2007-08 to F.Y. 2016-17 & F.Y. 2018-19 to F.Y. 2020-21	Jurisdictional Assessing Officers of TANS
Chhattisgarh Entry Tax Act, 1976	Entry Tax	183.18	For the F.Y. 2011-12 to 2017-18	Chhattisgarh High Court
Finance Act, 1994	Service Tax	0.28	For the F.Y. 2003-04	Patna High Court
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax	6.47	From F.Y. 1996-97 to 2013-14	Sales Tax Authority and Appellate Tribunal, J&K

Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Punjab VAT Act, 2005 (Entry Tax)	Entry Tax	9.64	From F.Y. 2011-12 to F.Y. 2013-14	Hon'ble High Court Punjab, Haryana & Chandigarh
Central Sales Tax and Sales Tax/VAT Acts of various states	Service Tax	37.57	From F.Y. 2014-15 to F.Y. 2015-16	Sales Tax Authority Appeal
Building & Other Construction Workers (BOCW) Cess Act, 1996	BOCW	3.71	For F.Y. 2007-08	Hon'ble High Court Himachal Pradesh, Shimla
Central Sales Tax Act	Sales Tax	0.46	For F.Y. 2015-16	Appellate Deputy Commissioner
	<b>Total</b>	<b>245.89</b>		

\* Demand amount including interest, net of amount paid under protest.

- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.
- (ix) The company has not raised money by way of initial public offer or further public offer during the year. The company has raised funds by issuance of debt instruments (bonds) during the year. In our opinion, on an overall basis and according to the information and explanations given to us, the company has applied the term loans including funds raised through bonds for the purpose they were obtained.
- (x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (xi) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) is not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the company.

**For T R CHADHA & CO LLP**

Chartered Accountants  
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**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**

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Place: Jaipur

Date: 17 June 2021

**Annexure ‘2’ to the Auditors Report**

As referred to in our Independent Auditors’ Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2021

S. No.	Directions	Auditors’ Comments
1.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. Based on our verification, no accounting transaction is being recorded/ processed other than through the ERP system in place.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (Incase, lender is a Government company, then this direction is also applicable for Statutory Auditor of lender company).	Based on our verification and explanations and information given to us, there were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loan/ interest etc. made by a lender to the company due to the company’s inability to repay the loan.
3.	Whether funds(grants/subsidy etc.) received/receivable for specific schemes from Central/ State or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on our verification and explanations and information given to us, funds received/receivable for specific scheme from Central/State agencies were properly accounted for and utilized as per its terms and conditions. No deviations were noticed by us.

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
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Date: 17 June 2021

### Annexure '3' to the Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2021

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

We have audited the internal financial controls over financial reporting with reference to Ind AS financial statements of the company as at 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T R CHADHA & CO LLP**

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**Neena Goel**

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Place: Gurugram

Date: 17 June 2021

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**G. Sivaramakrishna Prasad**

Partner  
M. No. 024860  
UDIN: 21024860AAAAAQ1523  
Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 21064305AAAABQ6921  
Place: Kolkata

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Satish Chandra Sharma**

Partner  
M. No. 072846  
UDIN: 21072846AAAAG4522  
Place: Jaipur