



DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure in presenting the 32nd Annual Report on the performance of the Company, together with the Audited Financial Statements for the financial year ended 31st March 2021.

The financial year under review was extremely challenging due to ongoing COVID-19 pandemic. Electricity being an essential service, your Company rose to the challenges by COVID-19 pandemic and ensured reliable transmission of power and achieved yet another year of excellent performance in all areas of its operations.

Performance highlights of the Company are briefly mentioned here to give an overview of accomplishments on all fronts:

- During FY 20-21, your Company achieved system availability of **99.78%**. The trippings per line decreased to **0.36**, which is lowest in last five years.
- **7,403** circuit km (ckm.) of Extra High Voltage (EHV) transmission lines, **27,624** Mega Volt Ampere (MVA) transformation capacity, **13** new Substations (including subsidiaries and acquisitions) were added during the year.
- Assets capitalized by the Company in FY 20-21 were ₹ **21,467** crore on-consolidated basis.
- Important projects commissioned:
 - Bipole 1 and associated HVAC and HVDC link under ±800kV, 6000 MW, Raigarh – Pugalur – Trichur HVDC Transmission System, enabled Inter-Regional power transfer of 3,000 MW, to meet power demand of Southern Region.
 - One symmetrical monopole of VSC HVDC link along with HVDC lines and HVDC cables under ±320kV, 2000 MW, Pugalur – Trichur HVDC Transmission System has been commissioned.
 - Transmission System for power evacuation from Ultra Mega Solar Parks of 2000MW at Tumkur (Karnataka) and 700MW at Banaskantha (Gujarat).
- For ensuring effective communication for the existing as well as new Substations, **6,282** km of Optical ground wire (OPGW) was installed in FY 20-21.
- Emerged successful in **5** TBCB projects associated with transmission strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase-II. Out of above 5 projects, 2 projects have been acquired in FY 20-21. These 5 projects are having an aggregate annual levelized tariff of ₹ **515.84** crore.
- Under Atmanirbhar Bharat Abhiyan, your Company, in collaboration with BHEL has successfully commissioned India's first indigenously developed 400kV Optical Current Transformer along with Digital Substation components (IEDs and SCADA) at 400/220kV Bhiwadi Substation.
- Your Company has Commissioned a fully digital 400/220kV Substation (including Bus Bar protection) with IEC 61850 Process Bus based Protection Automation and Control system. This has been successfully demonstrated at 400/220kV Malerkotla Substation.
- On standalone basis, the Company Total Income at ₹ **40,527.11** crore during FY 20-21, increased by **5.77%** & net Profit after Tax (PAT) at ₹ **11,935.78** crore during FY 20-21, increased by **10.40%**, as compared to previous year.
- Dividend of ₹ 9.75 per share declared for FY 20-21. Interim dividend of ₹ 6.75 per share paid and final dividend of ₹ **3** per share recommended for approval of shareholders (adjusted for bonus) as compared to ₹ 7.5 per share in previous year.
- Your Company has achieved remarkable collection efficiency of **103.78%** of billing in FY 20-21, despite the ongoing COVID-19 pandemic situation in the country.
- Featured as 'Fastest Growing Electric Utility in Asia Pacific' for 7th successive year under Platts top 250 Global Energy Company Rankings 2020 and globally positioned as the 4th fastest growing electric utility.
- Your Company was the only Indian PSU to feature in ATD (Association for Talent Development) BEST Award 2021 winner list along with 7 Indian organizations.

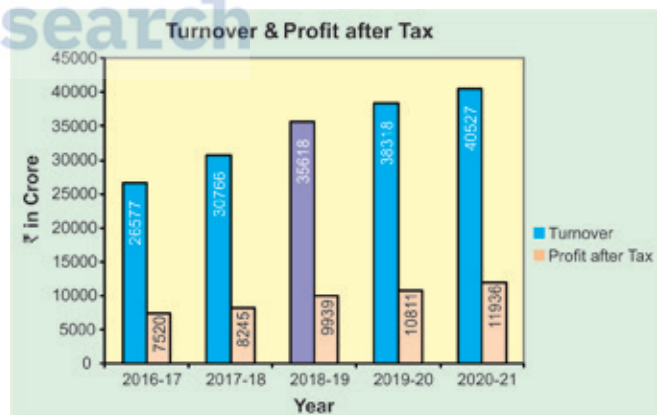
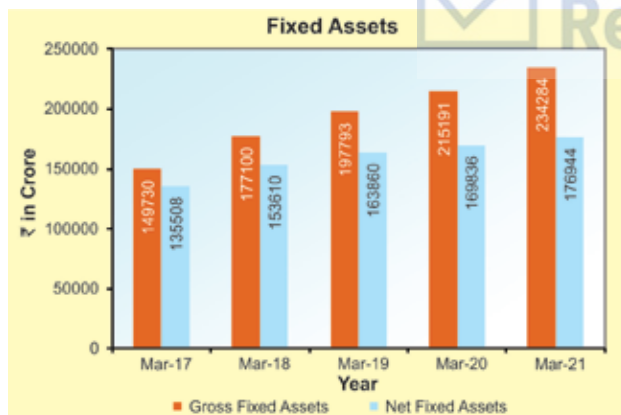
1. FINANCIAL PERFORMANCE

In FY 20-21, the Company has shown a stellar financial performance. The Financial Performance during year under review as compared to the previous FY 19-20 on standalone basis is summarized below:

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

Description	2020-21		2019-20		Y-o-Y
	₹ (crore)	US \$ (million)	₹ (crore)	US \$ (million)	Growth (%)
Revenue					
Transmission Charges	36,456.92	4,960.13	34,876.35	4,745.08	4.53
Consultancy-Sale of Services	501.28	68.20	610.98	83.13	-17.95
Telecom	707.45	96.25	698.21	94.99	1.32
Other Income	2861.46	389.31	2132.43	290.13	34.19
Total Income	40,527.11	5,513.89	38,317.97	5,213.33	5.77
Profit After Tax (PAT)	11935.78	1,623.92	10811.18	1,470.91	10.40
Earnings per Share	₹ 22.81	0.31(US \$)	₹ 20.67	0.28 (US \$)	10.35
Book Value per Share	₹ 133.00	1.81 (US \$)	₹ 123.17	1.68 (US \$)	7.98
Gross Fixed Assets	234284.32	31,875.42	215190.84	29,277.67	8.87
Long Term Borrowings*	141251.48	19,217.89	144979.64	19,725.12	-2.57
Net Worth	69578.84	9,466.51	64439.69	8,767.30	7.98
Debt Equity Ratio	67:33		69:31		
Return on Net Worth	17.15%		16.78%		

* Including current maturities of Long-Term Borrowings. Convenience conversion at US\$1=₹73.50, as on 31.03.2021



1.1. DIVIDEND PAYOUT & BONUS SHARE ISSUED

A final dividend of ₹ 3 per share is proposed for FY 20-21, in addition to first and second interim dividends aggregating to ₹ 6.75 per share paid (adjusted for bonus). The total dividend for the year thus amounts to ₹ 9.75 per share (adjusted for bonus) as compared to ₹ 7.5 in FY 19-20. The total dividend payout for the year amounts to ₹ 6,801.07 crore (including interim dividends of ₹ 4,708.43 crore). The final dividend shall be paid after approval at the Annual General Meeting. The total payout ratio for the year was 57% as compared to 54% for previous year.



Further, for the first time since inception, your Company has issued Bonus Shares in the ratio of 1:3 i.e., 1 (One) equity share of nominal value ₹ 10/- (Rupees Ten Only) each for every 3 (Three) equity shares of nominal value of ₹ 10/- (Rupees Ten Only) each to its shareholders. Post Bonus Shares issuance, the Paid-up capital of the Company stands increased to ₹ 6975.45 crore.

1.2. TRANSFER TO RESERVES

For the FY 20-21, appropriation of profit has been made as follows:

- a) General Reserve: ₹ 6,000.00 crore
- b) Self-Insurance Reserve: ₹ 278.79 crore

1.3. GOI SHAREHOLDING

During the year, the Govt. of India shareholding remained unchanged at 51.34%.

2. SIGNIFICANT DEVELOPMENTS

2.1. SUBSIDIARIES ACQUIRED THROUGH TARIFF BASED COMPETITIVE BIDDING (TBCB)

Since 2011, the Company has been participating in the TBCB process mandated by GoI for allocating transmission projects. The projects so acquired are housed in project-specific wholly owned subsidiaries of the Company.

During the year under review, the Company emerged successful in five ISTS projects associated with renewable energy. Out of these, two projects were acquired in FY 20-21.

As on 31st March 2021, eight TBCB subsidiaries were fully operational with total TBCB transmission assets comprising 59 transmission lines with 7,264 ckm & 7 Substations with aggregate transformation capacity of 16,050 MVA. Cumulatively, the Company, at the end of FY 20-21, owned 22 TBCB subsidiaries, the details of which are provided in the Management Discussion & Analysis Report (MD&A).

Separate section has been included on financial review of the Joint Venture Companies and Subsidiaries in MD&A.

2.2. TRANSFER OF SRINAGAR LEH TRANSMISSION SYSTEM (SLTS) TO POWERGRID

The flagship SLTS project was implemented by POWERGRID on consultancy basis under the PMDP scheme of Govt. of India. The project provides connectivity to the Ladakh region with the national grid, ensuring quality and reliable power supply. The project component includes transmission line of 375ckm traversing through snow bound hilly terrain and four new state-of-the-art 220/66kV Gas Insulated Substations along with 66kV inter-connection systems at Drass, Kargil, Khaltsi and Leh. The project was commissioned on 31st January 2019 and was dedicated to the Nation by Hon'ble P.M. on 03rd February 2019.

Upon reorganization of erstwhile State of Jammu & Kashmir into UTs of J&K and Ladakh, SLTS has been re-designated as an Inter State Transmission System (ISTS) and transferred to POWERGRID with effect from 31st October 2019 (the date of formation of the two UTs of J&K and Ladakh).

2.3. ACQUISITION OF JAYPEE POWERGRID LIMITED (JPL)

JPL [a Joint Venture Company of POWERGRID (26%) and Jaiprakash Power Ventures Limited (74%)] was incorporated in 5th October 2006 to evacuate power generated from 1000 MW Karcham Wangtoo Hydro Electric power project in Himachal Pradesh. The assets comprise two transmission lines of 449 ckm (400kV D/c Karcham-Wangtoo- Abdullapur transmission line and LILO of 400kV Baspa-Nathpa Jhakri transmission line at Wangtoo) which are under commercial operation since April 2012.

Your Company acquired 74% stake of Jaiprakash Power Ventures Limited at an aggregate consideration of ₹ 354.50 crore resulting in JPL becoming a wholly own subsidiary of POWERGRID w.e.f. 25th March 2021. Consequent upon acquisition name of the Company has been changed from Jaypee POWERGRID Limited to POWERGRID Himachal Transmission Limited (PHTL).

2.4. SEPARATION OF CTU FUNCTIONS

Your company was designated as Central Transmission Utility (CTU) since 1998. Govt. of India has decided to separate the CTU functions from POWERGRID, initially by designating a subsidiary of POWERGRID incorporated for this purpose as the CTU followed by establishing it as a separate Government of India Company.

Your company incorporated a wholly owned subsidiary Central Transmission Utility of India Limited (CTUIL), on 28th December 2020, which was notified by the Govt. of India as 'Central Transmission Utility' w.e.f. 01st April 2021 to undertake and discharge all functions of CTU. Your Company continues to be a deemed Transmission Licensee under the Electricity Act, 2003. As the CTU functions are not commercial oriented, the separation of CTU functions is not expected to have material impact on the business operations of the Company.

2.5. Monetisation of Transmission Assets through POWERGRID Investment Infrastructure Trust (PGInvIT):

In order to mobilise resources to meet future capital requirement for Company's growth, your company has undertaken monetization of assets through Infrastructure Investment Trust (InvIT) model. This is in accordance with Gol guidelines and your Company is the first CPSE to undertake asset recycling through InvIT structure.

In line with the approval accorded by the Govt. of India, your company monetized operational assets held through 5 TBCB Special Purpose vehicles (SPVs) with gross block value of about ₹ 7,200 crore comprising 3699 ckm of transmission lines and 3 Substations having 6630 MVA transformation capacity in May'2021.

Details are covered in the Management Discussion & Analysis placed at Annexure-I of this Report.

3. OPERATIONAL PERFORMANCE

3.1. ASSET MANAGEMENT

As on 31st March 2021, the Company's total transmission assets including of its wholly owned subsidiaries consist of 1,321 transmission lines aggregating to 1,70,685 ckm., 261 Substations with an aggregate transformation capacity of 4,37,523 MVA. The assets include 1,429 transformers, 14 STATCOMs and 3 Static VAR Compensators (SVC), 4 Series Reactors, besides a number of Thyristor Controlled Series Compensators (TCSC)/ Fixed Series Compensators (FSC).

In FY 20-21, the Company achieved **99.78%** availability of transmission network with number of trippings per line contained at 0.36. Proactive maintenance management practices monitored through a web-based dashboard for Annual Maintenance Plan launched during the year has helped the Company to achieve high operational performance of its large and highly complex transmission asset network despite the COVID-19 pandemic. Your Company also undertakes internal benchmarking on key performance indicators to evaluate operational performance to identify gaps for improvement, share key initiatives and achieve optimum operational performance.

Repair of GIS Substation equipment by the in-house maintenance teams of your company at 06 Substations during COVID-19 pandemic prevented long outages of system and resulted in considerable cost savings. Six HVDC convertor transformers were overhauled and one 765kV line reactor was repaired at site, saving both time and cost of transportation. It was the first time, that on-site repair of 765 kV class reactor was carried out by your company.

Refurbishment of ±2x250MW HVDC Vindhyachal back-to-back and 1500MW bipole of ±500kV HVDC Rihand-Dadri is being done to extend the life of projects which served the Indian Power System for more than 25 years. The Refurbishment of HVDC systems which is being done for the first time in India, will enhance the operating life of these HVDC assets by approximately 10 years, thereby benefitting the end consumer through continuing power supply at reduced cost.

State-of-the-Art, Travelling Wave Based Fault locators (TWFL) were installed in 43 transmission lines in FY 20-21 to accurately identify the fault location. With this 95 important transmission lines of your company have TWFL installed for better fault location and early restoration.

The Company, for the past many years, has been participating in the International Transmission Operation and Maintenance Study (ITOMS), a global O&M benchmarking platform, comprising 32 leading global power transmission utilities, where it has consistently ranked among the top performing transmission companies.

3.2. NATIONAL TRANSMISSION ASSET MANAGEMENT CENTRE (NTAMC), MANESAR & REGIONAL TRANSMISSION ASSET MANAGEMENT CENTRES (RTAMCS)

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

Remote management of Substations has proved to be immensely beneficial during the FY 20-21 to ensure uninterrupted supply of power despite COVID-19 pandemic.

During the FY 20-21, Eight (8) additional Extra High Voltage (EHV) Substations were integrated with NTAMC for remote operation. At the end of FY 20-21, total 242 Substations are being operated remotely from these asset management centres.

3.3. ADOPTION OF LATEST TECHNOLOGY

Your Company uses various technological tools for ensuring better availability of transmission lines such as aerial patrolling of transmission lines, thermo-vision scanning, corona camera, high resolution video, digital camera, application-based monitoring of transformers, reactors and patrolling of lines & real time updation of data through online applications for effective monitoring of assets.

Your Company has commissioned, a full digital Substation (including Bus Bar protection) with IEC 61850 Process Bus based Protection Automation and Control system and successfully demonstrated by retrofitting of conventional control and protection system at 400/220kV Malerkotla Substation. This technology provides lot of flexibility in Engineering, faster commissioning, reduced down time and cost, enhanced diagnostics and ease in trouble shooting during asset management.

3.4. CYBER SECURITY

The cyber security initiatives are led by Chief Information Security Officer (CISO) through the Information Security Department in the Company. The Corporate Office, all the Regional Headquarters and 213 Substations of the Company are certified for ISO:27001 Information Security Management System. The Company undertakes extensive training programs for its staff and participates in programs & mock-drills organized by CERT-In and NCIIPC.

Further, the Company works in close liaison with the designated statutory bodies, namely Indian Computer Emergency Response Team (CERT-In) and National Critical Information Infrastructure Protection Centre (NCIIPC). The advisories issued by these institutions from time to time are complied with and shared with other Transmission Sector utilities. POWERGRID has also been given responsibility as the sectoral Computer Emergency Response Team (CERT) for the Transmission Sector by Ministry of Power.

3.5. SAFETY

Your Company is committed for maintaining a safe working environment for all its employees and ensuring best possible safe conditions of work, for which all necessary steps are taken to ensure that all known safety factors are considered during design, construction, operation and maintenance of machinery and equipment of Substations & transmission lines to the extent as applicable as per standards.

Safety policy, rules and guidelines are implemented by publishing/ notifying instruction, notices in Hindi, English and other vernacular languages for broader circulation and are monitored routinely by a three-tier safety setup (Corporate Centre, Region and site levels). Further, the contractual provisions for safety are reviewed and amended to augment the safety commitment by all working agencies with their feedback from time to time.

New technology adoption i.e. usage of induction helmet & band to alert the person working in vicinity of induction zone are being adopted for safety at sites. Tackles to climb on PSC poles and to aid positioning during tower erection are being developed to aid the persons climbing on PSC poles and tower erection works.

Safety audits/ inspections, trainings, safety briefings and mock-drills are carried out for all contract workers and POWERGRID staff at various O&M and construction sites. During FY20-21, about 400 construction site inspections, about 2,900 safety-training sessions for contractor employees, about 800 safety-training sessions for POWERGRID staff and about 920 mock-drills were carried out.

Daily safety briefings & pep-talk were delivered in local languages at all sites to educate workers on the hazards associated with works and how to identify them & safety measures that must be taken to prevent injury. Besides above, safety day & fortnight celebrations, involving employees and contractual workers are being conducted which help in creating awareness for adherence to safety.

4. DISASTER MANAGEMENT

The Company has in place a “Disaster & Crisis Management Plan” for taking swift actions during pre and post disaster conditions and for speedy restoration of damaged power infrastructure. It outlines a hierarchical set up of crisis/ disaster management at various levels for effectively and efficiently dealing with crises and disasters as well as roles/ responsibilities of different departments in disaster management.

Based upon the inputs of India Meteorological Department (IMD), the Company took preparatory steps before the onset of all cyclones during FY 20-21. No major damages were caused to your Company’s transmission network during major cyclones namely, Amphan, Nisarga, Nivar and Burevi due to advance preparedness and robust infrastructure,. The Company also extended its full support to the transmission and distribution utilities of the affected States by providing men and material for early restoration of their damaged transmission and distribution network.

5. PROJECT IMPLEMENTATION

The lockdown in the month of March & April 2020 to prevent the spread of COVID-19 and consequent restriction on movement of men and material had impacted project construction activities during the year. Various measures were taken to mitigate COVID-19 impact on project construction. Workers at site were provided various support during the lockdown period to tide over the situation.

Despite the constraints arising due to the pandemic, your Company’s strong project management practices resulted in addition of about 6,580 ckm of EHV transmission lines, about 27,320 MVA transformation capacity and 9 new Substations in FY 20-21. This includes 866.05 ckm. of EHV transmission lines, 6,420 MVA transformation capacity and 3 new Substation added during the year by the Company’s wholly owned TBCB subsidiaries.

Further, about 6,282 km of OPGW network was added during the year to support voice and data communication with Regional Load Dispatch Centres (RLDCs)/ State Load Despatch Centres (SLDCs) for effective grid management.

MAJOR TRANSMISSION ASSETS COMMISSIONED

INTER-REGIONAL LINES

- ±800kV Raigarh - Pugalur LCC HVDC link along with Bipole-I (Pole-I and Pole-II, 3000 MW)

INTERCONNECTIONS WITH BANGLADESH

- 400kV D/c Baharampur (PG) - Bheramera (B'desh) line (2nd D/c line) - India portion

TRANSMISSION SYSTEM ASSOCIATED WITH ULTRA MEGA SOLAR PARKS

- 400kV D/c Tumkur (Pavagada) PS - Devanahally (KPTCL) (Quad) line
- 400kV D/c Hiriyur - Mysore line
- 400kV D/c Banaskantha PS - Banaskantha (PG) line

TRANSMISSION SYSTEM FOR STRENGTHENING OF SOUTHERN REGION GRID

- 400kV D/c Pugalur HVDC Station - Pugalur line
- 400kV D/c Pugalur HVDC Station - Arasur line
- LILO of 400kV D/c North Trichur - Cochin line at North Trichur HVDC Station
- ±320kV VSC HVDC Pugalur - North Trichur (Kerala) link (One Symmetrical monopole of 1000 MW)

OTHER IMPORTANT TRANSMISSION LINES

- Additional line 400kV D/c line at P.K.Bari S/s & Silchar S/s. end for termination of 400kV D/c P.K. Bari - Silchar line.

- 400kV D/c NNTPS Switch Yard - Ariyalur (Villupuram) line
- 400kV D/c Rajarhat - Purnea line (Triple Snowbird)-balance portion
- 400kV S/c (Quad) Tehri Gen. - Tehri Pooling Station line

TBCB LINES

– Interstate Projects

- 765kV D/c Ranchi (New) - Medinipur line (**ERSS-XVIII**)
- LILO of both ckts of 400kV D/c Chandithala -Kharagpur line at Medinipur S/s (**ERSS-XVIII**)
- LILO of both ckt of 400kV D/c Nabinagar-II - Gaya line at Chandauti S/s (**ERSS-XXI**)

– Intrastate Projects - (**POWERGRID Jawaharpur Firozabad Transmission Limited**)

- LILO 765kV S/c Mainpuri – Gr. Noida line at Jawaharpur S/s
- LILO of one circuit of 400kV D/c Agra South – Fatehabad (765kV) line at 400kV Firozabad S/s
- LILO of 220kV Firozabad (220kV) – Agra (765kV PG) line at 400kV Firozabad S/s
- LILO of 132kV S/c Etmadpur – Barhan line at 400kV Firozabad S/s
- 132kV D/c Firozabad (400kV)-Narkhi line

As on 31st March 2021, the inter-regional power transfer capacity of the transmission assets belonging to the Company and its subsidiaries was 90,090 MW and inter-regional power transfer capacity of the National Grid was 105,050 MW.

6. CAPITAL INVESTMENT, FUND MOBILIZATION & INVESTMENT APPROVAL of NEW PROJECTS

During FY 20-21, the Company made a consolidated capital investment of ₹ 11,150 crore on cash basis. To finance this investment, the Company mobilized ₹ 6,010 crore through bonds & term loans, ₹ 1,589 crore through External Commercial Borrowings (ECB)/ Suppliers' Credit, ₹ 3,516 crore from Internal Resources and ₹ 35 crore through grants received from Power System Development Fund & from Central Financial Assistance (Ministry of New and Renewable Energy).

During the year, investment approvals for transmission projects under regulated tariff mechanism (RTM) worth about ₹ 1,092 crore have been accorded. Further, the Company also acquired projects estimated at ₹ 1,700 crore under TBCB mechanism during FY 20-21.

7. COMMERCIAL HIGHLIGHTS

Sharing of Inter-state transmission charges is governed by CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, as notified from time to time in line with the National Tariff Policy notified by Govt. of India and provisions of the Electricity Act, 2003. Presently, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 are in vogue. These regulations came into force with effect from 1st November 2020 superseding the CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010. As per the Sharing Regulations, 2020, the Company, as the Central Transmission Utility (CTU), had the responsibility of billing & collecting transmission charges on behalf of all ISTS licensees in the country and disbursing to them till 31st March 2021.

The Company effectively discharged the assigned responsibilities and achieved remarkable collection efficiency of 103.78% of billing in FY 20-21 despite the ongoing Covid-19 pandemic situation in the country.

Providing Relief to Various Stakeholders to Combat Financial Crisis on Account of COVID-19 Pandemic:

The revenues of the state utilities were impacted by the lower demand for power and overall reduction in economic activity during the lockdown period. In order to mitigate their hardship and keeping in view the advice of the Ministry of Power, Government of India, relief was provided by way of a one-time consolidated rebate of ₹ 1,078.64 crore in the billing for the month of April 2020 & May 2020 to various DISCOMs / Power Departments of the States and Union Territories for passing on the same to the end consumers. The rate of surcharge was reduced from 18% to 12% per annum for the bills that became due during the period from 24th March 2020 to 30th June 2020 and for all payments received through the Liquidity Infusion Scheme of PFC and REC under Atmanirbhar Bharat scheme. Under Atmanirbhar Scheme, an amount of ₹ 2,623.26 crore has been received during FY 20-21 by your company which significantly reduced the outstanding dues at the year end.

8. CROSS BORDER INTERCONNECTIONS

In FY 20-21, Muzaffarpur (India) – Dhalkebar (Nepal) 400kV D/c line was upgraded at its rated voltage. The cumulative power transfer capacity through cross-border interconnections with Bhutan, Bangladesh, Nepal and Myanmar increased to about 4,230 MW.) during the year. Additional links for interconnection with Nepal through the 400kV D/c Gorakhpur (India) – New Butwal (Nepal) (Quad) transmission line, with Bhutan through 400kV D/c Jigmeling (Bhutan) – Alipurduar (India) (Quad) transmission line are under implementation. The Government of India has mandated your company to implement the 765kV D/c Katihar – Parbotipur – Bornagar transmission line which provides connectivity between the states of Bihar and Assam through Bangladesh. Discussions are in progress with Bangladesh Government authorities for finalising the modalities for the implementation of this line.

9. INTEGRATION OF RENEWABLE ENERGY (RE), CONNECTIVITY, LONG TERM ACCESS (LTA) & MEDIUM-TERM OPEN ACCESS (MTOA)

The Company, as the Central Transmission Utility (CTU), in consultation with various stakeholders, had evolved a comprehensive transmission scheme for grid integration of various Renewable Energy Zones (66.5 GW) in the country. These transmission schemes are being taken up for implementation in a progressive manner. The Company, as the CTU, was also the nodal agency for processing & grant of Connectivity, Long Term Access (LTA) and Medium-Term Open Access (MTOA) to various applicants.

During FY 20-21, connectivity granted to 162 eligible applicants for a quantum of about 70,931 MW (cumulative 742 applicants for a quantum of about 3,00,324 MW as on 31st March 2021) and LTA to 38 applicants for a quantum of about 9,916 MW (cumulative 313 applicants for a quantum of about 1,24,653 MW as on 31st March 2021).

Also, based on available margins in the transmission capacity, MTOA has also been granted to 7 applicants for a total quantum of about 936 MW (cumulative 158 applicants for a total quantum of about 17,248 MW as on 31st March 2021).

Your company ceased to be the CTU and CTUIL has been notified by the Government of India to carry out statutory functions as identified for CTU under the Electricity Act, 2003 and also other functions assigned to CTU by CERC w.e.f. 01st April 2021.

10. OTHER BUSINESSES

10.1 TELECOM BUSINESS - 'POWERTEL'

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

During FY 20-21, the Company's telecom network coverage increased to 71,673 km from 66,922 km at the end of previous year and the telecom backbone availability for the year was 100%. The Company extended support to its clients during the COVID-19 lockdown period by ensuring quick response to their upgradation and other customer service requests.

The Company is also exploring new businesses like setting up of Data Centres, use of transmission towers for telecom purposes by providing power to the telecom antennae, etc. With a vision to directly serve neighboring countries with reliable connectivity, your Company is proposing to obtain International Long Distance (ILD) service authorization from Department of Telecommunication (DoT) to serve Nepal, Bhutan and Bangladesh.

Further, your Company has received approval from Gol & CERC for formation of wholly owned subsidiary Company for Telecom business.

Details are covered in the Management Discussion & Analysis placed at Annexure-I of this Report.

BHARAT NET

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

The Company has laid OFC for 10,739 GPs by the end of FY 20-21, out of 10,838 GPs allotted to the Company by Bharat Broadband Network Limited (BBNL) under Phase-I. The scope of work is spread across 39 districts in 5 States viz., Andhra Pradesh, Telangana, Himachal Pradesh, Jharkhand & Odisha.

10.2 CONSULTING SERVICES

Your Company, one among the largest power transmission utilities in the World, has developed expertise in its core areas such as power transmission projects, sub-transmission system, distribution management, load dispatch & communications, in India and abroad. Leveraging its capacity and experience, consulting services have been provided to a number of customers in India and worldwide.

DOMESTIC MARKET

Your Company, as a Consultant on behalf of Govt. of India, is implementing two important projects for strengthening of the Intra-State Transmission and Distribution Systems (33kV and above) namely 'NERPSIP' in Manipur, Meghalaya, Mizoram, Tripura, Nagaland & Assam and 'Comprehensive Scheme' for strengthening of Transmission & Distribution in Arunachal Pradesh and Sikkim.

Further, the Company bagged 22 new consultancy assignments in FY 20-21. Major consultancy assignments received during the year include:

- Consultancy services to THDC India Ltd for implementation of 400kV D/c line from their Khurja STPP to the 400kV switchyard of 765/400kV Aligarh SS (PG) and 400kV terminal bays at Aligarh S/s.
- Consultancy services to OPTCL for restoration of 220kV D/c Pandiabili- Samagara Transmission Line.
- Consultancy services to Lanco Teesta Hydro Power Ltd. (LTHPL) for Turnkey execution of 220kV D/c dedicated transmission lines from 500MW LTHPL Teesta VI HEP to POWERGRID Rangpo Pooling Station and associated bays at Rangpo.
- 05 consultancy agreements were signed with different Renewable (Wind & Solar) developers for implementation of 220kV terminal bays at POWERGRID Substations.

INTERNATIONAL MARKET

On the International front also, the Company has been providing consultancy to various clients in Nepal, Bangladesh, Uganda and Fiji.

During the year, the Company secured new consultancy assignments in Fiji for Project Management and Construction supervision of 132kV transmission system.

The Company is under discussions with Africa50, which is an investment platform owned by 28 sovereign Governments in Africa and two Central banks and African Development Bank for investments in building transmission assets in Kenya under public-private partnership (PPP) model through a joint venture.

10.3. ENERGY MANAGEMENT

Realizing the significance of energy saving aspect for sustainable development, your Company is pursuing business opportunities in energy saving by way of conducting energy audits and implementation of Energy Efficiency & Sustainable development projects in various Govt. as well as private agencies, e.g. industries, institutions, commercial establishments, State Transmission Utilities, etc. Your Company is a BEE Grade-I Energy Service Company (ESCO) for investing /implementing energy efficiency projects and has a large pool of certified energy auditors/energy managers who are well qualified to offer energy efficiency solutions.

During the year, the Company signed MoU with CSIR-NEERI for long term association in the area of Energy Efficiency and Sustainable Energy. The MoU would facilitate setting up Waste to Energy plants, Solid Waste Management etc. in various establishments.

10.4. EV CHARGING INFRASTRUCTURE

The Company is promoting e-mobility by adopting Electric Vehicles (EV) for its own use and by installing fast EV charging stations across the country.

During the year, the Company set up eleven (11) more EV fast-charging stations. Now, POWERGRID is operating 16 public EV charging stations at Delhi, Gurugram, Hyderabad, Ahmedabad, Bengaluru, Kochi & Kozhikode. Work on additional 24 public EV charging stations is in progress in Delhi, Bengaluru, Mysuru and Shillong. POWERGRID is developing 11 EV charging stations in Shillong under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) India scheme phase-II.

Discussions are in progress with various Municipal Corporations, DISCOMs, Metro Rail Authorities etc. for expanding Energy Vehicle Charging Station network.

11. QUALITY MANAGEMENT

The Company has developed and maintained systems & procedures aligned with Integrated Management System as per Publicly Available Specification, PAS 99:2012 integrating requirements of ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health & Safety Management System).

The Integrated Management Systems were audited by a third party and POWERGRID has successfully passed all the standard requirements. Systems were also audited for maintenance of Social Accountability Standard, SA: 8000, Energy Management Systems as per ISO:50001 and Information Security Management Systems as per ISO:27001.

Further, the contract conditions require contractors to submit a quality assurance programme, aligned to ISO requirements.

Despite COVID-19 pandemic, all the inspections, sub vendor assessments and other quality related activities were undertaken in a well-planned manner using a mix of actual visits during low impact period of Covid-19 and virtual visits during severe Covid-19 pandemic conditions. Around 17,000 inspection calls were received & attended considering all Government guidelines/regulations during the year to ensure quality during manufacturing.

12. TECHNOLOGY DEVELOPMENT

Your Company has been at the forefront in adoption of state-of-the art technologies and undertakes applied research and development activities in pursuit of technological excellence in power transmission.

In the previous years, POWERGRID has catered to the internal research, analysis, testing, calibration and ever-growing asset management needs of the organization through its state-of- the-art laboratories. Apart from this, the laboratories have extended services to external clients for Dynamic testing, Conformance testing etc. of Intelligent Electronic Devices (IEDs), Compliance Testing of Phasor Measurement Units (PMU), Electric and Magnetic field measurement and analysis, etc.

During the year, in a boost to Atmanirbhar Bharat Abhiyan POWERGRID, in collaboration with BHEL has successfully commissioned India’s first indigenously developed 400kV Optical Current Transformer along with Digital Substation components (IEDs and SCADA) at 400/220kV Bhiwadi Substation of POWERGRID. This collaborative R&D project is a major step towards complete digitization of the Substation automation system.

Your Company has also developed an in-house simulation software for Electric and Magnetic Field (2D) analysis which could be used in the design verification in power transmission lines.

In a bid to secure the intellectual property rights of the Company, a patent application has been filed for ‘System and method for health assessment of Transformers and Reactors’. In addition, copyright has been received for two in-house software systems developed for UHV/EHV equipment condition monitoring and health assessment i.e. for the Transformer Online Condition Monitoring System (TOCMS) and POWERGRID Asset Life Management System (PALMS).

13. DIGITAL TRANSFORMATION:

Your Company has taken upvarious digital initiatives towards paperless working providing greater transparency and ease of doing business. These initiatives enabled business continuity during the covid lockdown facilitating work from home by its employees.

The Company has established an e-Tendering Portal-PRANIT certified by Standardization, Testing and Quality Certification Directorate (STQC), Ministry of Electronics and Information Technology, Govt. of India. With this, POWERGRID is now the only organization in India to have an e-Procurement solution on SAP Supplier Relationship Management (SRM).

Centralized Vendor Bill Processing facilities are being established through POWERGRID Payment Processing and Facilitation Centers (PPFCs) at strategical locations to streamline the processes of verification of bills and release of payments, optimizing the resources, to enhance the transparency and accountability in the system.

The Company has successfully achieved SAP Customer Center of Expertise (CCoE) Certificate. This signifies that Company has the knowledge, capabilities and framework to bring forward continuous improvement and innovation in our ERP implementation.

14. CONTRIBUTION TO GOVT. OF INDIA SCHEMES - RURAL ELECTRIFICATION (RE) WORKS UNDER DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY)/ PRIME MINISTER’S DEVELOPMENT PACKAGE (PMDP)-2015

Rural Electrification Infrastructure works under DDUGY/PMDP schemes are under progress in 6 districts in J&K UT & 2 districts in Ladakh UT and Intra-state transmission works of 6 projects are under progress in J&K UT under PMDP.

Till date, under Gol's DDUGJY/PMDP for rural electricity infrastructure and household electrification, the Company has implemented infrastructure work for rural electrification in 95 districts of 10 States in the country. Infrastructure has been created for electrification of 87,409 villages (i.e., partially electrified & un-electrified villages) and service connections have been provided to about 44 lakhs BPL households.

15. PARTICIPATION IN GOVT. OF INDIA INITIATIVES

15.1 PROMOTION OF 'MAKE IN INDIA'

The Company, through continuous measures, has encouraged local sourcing of various goods for development/operations of transmission system.

With POWERGRID's efforts, new plants and facilities have been set-up in India over the past few years by a number of foreign manufacturers for equipment like GIS, transformers, reactors, STATCOM, OPGW, etc., thereby paving way for a wider vendor base and emergence of a more efficient supply chain. As a result, your Company is able to reduce its import of transmission related equipment from 12.23% in FY 16-17 to 2.60% in FY 20-21.

The Company is actively working for development of its vendor base by encouraging local suppliers, MSE firms and existing vendors.

15.2 PROMOTION OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

The Company has been complying with the guidelines issued by the Government from time to time for promotion of MSMEs. The Company is registered on all the three (03) available Trade Receivable e-Discounting System (TReDS) platforms of (i) Receivable Exchange of India Limited (RXIL) (A NSE - SIDBI JV), (ii) Mynd Solutions Private Ltd (M1xchange) and (iii) A TREDS Ltd. (Invoicemart).

Suitable provisions have already been incorporated in the bidding documents of POWERGRID for procurement of various products and services rendered by Micro and Small Enterprises (MSEs) in line with the Public Procurement Policy of the Govt. of India.

In terms of the above policy of the Govt. of India, the total eligible value of annual procurement of goods produced and services rendered by MSEs (including MSEs owned by SC/ ST and women entrepreneurs) during FY 20-21 was ₹ 2,332 crore. The total procurement from MSEs (including MSEs owned by SC/ST and women entrepreneurs) was ₹ 1,085 crore (46.51%). The Company has achieved the target of mandatory procurement of 25% out of total annual purchases of products and services rendered by Micro and Small Enterprises in line with Public Procurement Policy (Order 2012) read in conjugation with its amendment in November, 2018.

Total eligible value of annual procurement of goods produced and services rendered by MSEs (including MSEs owned by SC/ST and Women entrepreneurs) for FY 2021-22 is projected to be in the range of ₹ 1,100 crore.

During the year, in order to encourage and develop Micro and Small manufacturers for supply of innovative & quality products, MSE vendor development programs/webinars were conducted on virtual platform due to the COVID-19 pandemic. Special focus was kept on Micro and Small Enterprises owned by SC/ ST and Women entrepreneurs. The response of Micro and Small Enterprises in these virtual meetings/webinars was overwhelming. A number of Micro, Small & Medium Enterprises have been developed as sub-vendors and approved for supply of components for various equipment.

16. SUSTAINABLE GROWTH

Your Company's activities are non-polluting in nature and their environmental impacts are negligible. The principles of Environment, Social and Governance (ESG) are being embedded by your Company into business operations and is continuing to attach highest importance to ESG ecosystem.

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

Your Company is committed to use of green technologies to reduce carbon footprints by adoption of electrical vehicles for its usage and development of electrical vehicle charging infrastructure in association with various public utilities for achieving the national target of e-mobility. Further, your Company has installed rooftop solar PV plants of more than 6MWp at more than 70 locations which are cumulatively generating about 8 million units of electricity annually, thereby reducing Co2 emission of approximately 8000 MT per year. Establishment of additional 5 MWp Rooftop Solar PV systems in 66 locations is in progress.

16.1 ENVIRONMENT AND SOCIAL MANAGEMENT

POWERGRID, being a responsible corporate entity, addresses any residual environmental or social impacts associated with its business following the cardinal principles of Avoidance, Minimization and Mitigation as outlined in its Environmental and Social Policy & Procedure (ESPP) which was developed way back in 1998 and updated from time to time.

The acceptance of ESPP provisions by leading multilateral agencies like The World Bank in 2009 and The Asian Development Bank (ADB) in 2017 under their policy of Use of Country System (UCS) and Country Safeguard System” (CSS) respectively is a reflection of our commitment and implementation record for E & S safeguard management.

POWERGRID, a pioneer in Sustainability Reporting in the Indian Power Sector released its 6th biennial sustainability report for FY 2017-19 in September 2020 based on internationally acclaimed/accepted “Global Reporting Initiative (GRI) Standards (Core)” duly validated by independent Accredited Assurance Provider.

The Company, in partnership with Global Reporting Initiative (GRI) South Asia, has taken several initiatives towards fulfillment of India’s commitment to United Nation’s Sustainable Development Goals (SDGs) Agenda 2030 and has already aligned its activities with 11 SDGs out of total 17.

16.2. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The Company has spent ₹ 240.48 crore exceeding the prescribed CSR budget of ₹ 233.79 crore (2% of the average PBT of preceding three years) for the FY20-21. Further, 119 new CSR projects of ₹ 179.77 crore were sanctioned. Project-wise details are given at **Annexure - X** of this Report.

During the year, the Company contributed ₹ 70 crore to PM CARES Fund towards COVID-19 pandemic. Projects worth ₹ 28.05 crore were also undertaken towards providing more than 1.52 lakh packets of cooked meal, about 1850 MT ration items, 8530 PPE kits and other items to nearly 2.80 lakh beneficiaries at 276 locations in the vicinity of Substations/construction locations throughout the country.

The Company provided assistance in COVID-19 vaccination programme through procurement of cold chain equipment for supporting existing infrastructure for the States of Punjab, Mizoram, Sikkim and Ladakh.

The Company has supported establishment of a Hub and Spoke model Tele- ICUs at Sanjay Gandhi Post Graduate Institute of Medical Sciences (SGPGIMS), Lucknow and at their selected medical colleges in the State of Uttar Pradesh. The Company has also supported Tata Memorial Centre (TMC) for developing Modular Operation Theatres at Women and Child Hospital, ACTREC campus, TMC, Navi Mumbai.

The Company has provided financial Assistance towards Integrated Development of Kevadia town in Gujarat and for construction of 2.5 km, 10m wide road and façade enhancement of public building along with associated works for re-development of Shri Badrinath Dham town as a Spiritual Smart Hill.

17. GOVERNANCE

17.1 RIGHT TO INFORMATION

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

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

In FY 20-21, around 1000 RTI applications were received in the Company and processed timely as per the RTI Act, 2005. Training programmes/ awareness sessions for the Company’s CPIOs/PIOs/Appellate Authorities were organized for sensitization about their role in implementation of the RTI Act.

The Company has also conducted third party audit of suo-motu disclosure as per section 4(1)(b) of RTI Act,2005 and also published the third-party report on POWERGRID website.

17.2. COMMITMENT TO TRANSPARENCY & VIGILANCE FUNCTION

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

EMPHASIS ON PREVENTIVE VIGILANCE

To strengthen the organizational process and to minimize malpractices in various systems & activities of the organization, emphasis on preventive vigilance is given. Preventive vigilance focuses on the right types of systems or need for re-engineering proactive approach aimed at identification of opportunities and taking action against potential threats.

During FY 20-21, 56 surprise inspections, 30 process-on-line inspections and 17 Chief Technical Examiner (CTE) Type inspections were conducted. Pursuant to Vigilance inspections and observations/ recommendations, a number of system improvements have been implemented.

PREVENTIVE VIGILANCE WORKSHOPS AS PART OF CAPACITY BUILDING

During FY 20-21, various Preventive Vigilance Workshops, Webinars were conducted for non-vigilance personnel at the Corporate Centre as well as at various regions of the Company. These workshops inter-alia cover contracts management, provisions of CDA Rules, compliances of rules and policies, common irregularities, deliberation of case studies based on real cases, quality aspects as well as Ethics Management which enables the employees to identify and deal with ethical dilemma.

VIGILANCE AWARENESS

Vigilance Awareness Week 2020 was observed in POWERGRID from 27th October to 2nd November 2020 (pursuance to the directions of Central Vigilance Commission) in line with the theme for this year “**Vigilant India, Prosperous India**”, with full vigor, following all government guidelines regarding the pandemic.

POWERGRID employees and their family members celebrated the Vigilance Awareness Week with great enthusiasm. A total of 392 activities including various competitions viz. essay, quiz, slogan and painting competition for kids were organized by POWERGRID for employees and their family members wherein approximately 6000 individuals participated. The message of Vigilance Awareness Week 2020 was propagated through FM Channel, print and electronic media in national as well as regional languages. Stakeholders were also involved through vendor meets, which were conducted at CC and all regions.

Approximately 7400 POWERGRID employees across all locations took the Integrity Pledge through live transmission.

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

17.3. CITIZEN'S CHARTER

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

18. PEOPLE: OUR CORE STRENGTH

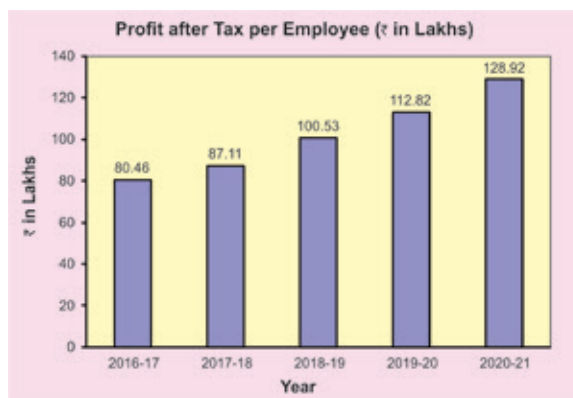
Your company believes that its competent and motivated workforce is its core strength in delivering excellent financial and operational results, year after year. HR process and systems are designed to acquire, nurture and empower power professionals in line with organizational business objectives, core values of the company in an equitable, collaborative, healthy, safe environment. Emphasis is given for development of a culture of continuous learning, sharing and development.

As on 31st March 2021, the employee strength of the Company stood at 8,766 as against 8,990 on 31st March 2020, which is exclusive of the employees on contract. Women constituted 7.74% of its total workforce as on 31st March 2021.

18.1 HUMAN RESOURCE DEVELOPMENT

POWERGRID Academy of Leadership (PAL), established by the Company at Manesar has been imparting a wide range of learning solutions not only for its employees but also to external stakeholders.

During the year, in view of COVID-19 pandemic, 620 training and development programs using virtual mode were organized by the Company through in-house facilities as well as premium educational institutes and centres of learning in India and abroad. The range of training & development imparted include induction programs to Executive Trainees besides hands-on/managerial/behavioral/leadership training programs to employees and customized programs for external agencies.



Leveraging its people capabilities and infrastructure available at PAL for capacity development, in FY 2020-21, training programs have also been conducted by the Company for employees of other power utilities on consultancy basis.

During FY 20-21, various in-house developed video/text-based e-learning and refresher courses on Company information have been uploaded in POWERGRID E-Learning Portal, PRAGYAN. First batch of 500 employees have completed the Harvard Manage Mentor Program and subsequently second batch of 500 employees has been enrolled for this program.

POWERGRID has been accredited as Registered Education Provider of PMI, USA and 3 batches of Certified Project Management Program have been conducted online.

Basic/Advanced level online training programs on Accounting & Finance were organized by Corporate-HRD Consultancy Group under CBIS-NERPSIP Scheme for NER state utilities like AEGCL(Assam), MeECL, MePDCL, MePTCL (Meghalaya), TSECL (Tripura) etc.

More than 1000 apprentices have been engaged in different trades as per the Apprentice Act, 1961. MoU has been signed among National Skill Development Corporation (NSDC), National Skill Development Fund (NSDF), Power Sector Skill Council (PSSC) and POWERGRID for Skill development training to 6000 unemployed youth in the power Sector across 25 locations.

50 Employees have been sponsored for a customized 15 months PGDM program in Data Analytics, Machine Learning & Artificial Intelligence by IIIT Bangalore.

18.2. EMPLOYEE WELFARE

The Company is continuously updating its welfare policies in line with the industry trend and to meet the changing needs for its employees. Your Company, during the year, introduced work from home guidelines for employees and has taken various measures for smooth functioning during COVID-19 situation.

Many webinar/ talks were held during the period by experts for employees on medical care, wellbeing and lifestyle management during the pandemic. Isolation facilities were setup at various locations for affected employees and dependents. Various facilities viz. home collection of samples for COVID-19 testing, medical consultation through tele-medicine and provision of non-refundable advance to members of the PF-Trust were introduced.

A dedicated COVID Communication webpage / web repository created on Intranet for easy access and dissemination of information related to COVID-19 issued by POWERGRID and Govt. authorities including various circulars, guidelines, SOP's, Do's and Dont's etc.

Your Company has introduced comprehensive reward and recognition scheme – **PRATIPHAL** (POWERGRID Rewarding & Appreciating Teams & Individuals by Promoting Higher Accomplishments and Learning) to promote and reinforce achievement oriented high-performance work culture.

18.3. GRIEVANCE REDRESSAL

In POWERGRID, grievance redressal is always taken up with priority. Your Company promptly redresses the grievances of its employees within the broad parameters of guidelines enumerated by Govt. of India and policy framework. An 'Employee Grievance Portal' is in place for the same. The Company has designated nodal officers at corporate & regional offices for systematic & prompt redressal of the grievances within stipulated time frames.

18.4. ENSURING SOCIAL JUSTICE

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

The reservation cell assists the Liaison Officer who looks after the welfare & safeguard of SC/ ST/ OBC & PwD employees. Liaison Officer also ensures that there is no discrimination on the basis of caste, religion & disabilities amongst the employees. To ensure effective discharge of duties across all establishments of POWERGRID, separate liaison officer for each region has been nominated. The Company implements all directives and guidelines with regard to reservation policy issued by Govt. of India. Annual inspection is also conducted to ensure implementation of directives issued by Govt. of India. Periodic meeting is also held with representatives of the association of SC/ ST & OBC to resolve issues, if any.

The Company has taken several administration-related issues during last year to support women employees such as ‘Skip-the-queue in cafeteria’ and earmarked parking slots for expecting mothers at Corporate Centre etc. In the unprecedented times of Pandemic, all out efforts have been made to ensure work life balance for women employees.

“Flexi timings” and “work from home” options have been given for pregnant women employees and mothers with young children during COVID-19 period.

19. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made here under, the Company has Internal Complaint Committees (ICC), in place, to redress complaints received regarding sexual harassment. POWERGRID has been conducting training/workshop programs for both male and female employees sensitizing them on issues and the law/ Act relating to sexual harassment. Workshops on women empowerment, development and gender sensitization are also organized. There was one complaint of sexual harassment filed during FY 2020-21 and complaint has been disposed off in stipulated time as per the Guidelines.

20. IMPLEMENTATION OF OFFICIAL LANGUAGE (RAJBHASHA)

To promote Rajbhasha “Hindi”, POWERGRID has made all round efforts to integrate and promote use of Hindi in its works at all levels. Various Workshops, Trainings and motivational programmes were organized at every unit of POWERGRID by video conferencing in the FY20-21.

To publicize Hindi, various competitions throughout the year with special emphasis during Hindi Pakhwada, Vigilance Awareness Week, Swachchhta Pakhwada etc along with departmental meetings as well as Official Language Implementation Committee (OLIC) meetings are also being conducted. Attractive incentive schemes for employees working in Hindi have been implemented as per the government guidelines. Also, various award and reward schemes have been introduced to encourage employees to actively participate in promotion of Hindi, by giving articles/write-ups for in-house magazines, reading library books etc.

Various awards were conferred to your Company’s offices by Town Official Language Implementation Committee (TOLIC) and Rajbhasha Vibhag, Ministry of Home Affairs, Govt. of India regarding best Implementation of Official Language. Besides, POWERGRID’s efforts were also applauded during various inspections and discussions done by Hon’ble Committee of Parliament on Official Language on different occasions.

21. STAKEHOLDER ENGAGEMENT

Leveraging upon its social media presence, POWERGRID has been at the forefront to engage with its virtual audiences, providing real time access to information through social media viz. Facebook, Twitter, Youtube and LinkedIn. A dedicated Communication Lounge on the website also provides a one-stop solution to all communication requirements.

For internal stakeholders, various communication vehicles viz. e-magazines, ‘Communiqué’ and ‘CUE’; display magazine ‘LOUNGE’, short films videos, creatives, and digital quarterly magazines are being utilised to regularly apprise about developments, achievements, events & showcases viewpoints of management and employees.

Positive stories of hope, recovery and brand citizenship behavior are being disseminated amongst the POWERGRID family, and such concerted efforts have led to recognition from industry, as Team Corporate Communications has been ranked 18th in the list of India’s Top 30 Corporate Communication Teams across private and public sector by a reputed independent magazine.

22. MANAGEMENT DISCUSSION AND ANALYSIS

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

23. BUSINESS RESPONSIBILITY REPORT

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

24. AUDITORS

24.1. STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of the Company are appointed by the Comptroller & Auditors General of India. M/s. T R Chadha & Co. LLP, M/s. Umamaheswara Rao & Co., M/s. B M Chatrath & Co. LLP and M/s. P S D & Associates, were appointed as Joint Statutory Auditors for FY 2020-21.

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

24.2. COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

The Company has received 'Nil' comments on the Financial Statements (Standalone and Consolidated) for the Year ended 31st March 2021 from the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013. The comments of C&AG is placed at **Annexure-IV**.

24.3. SECRETARIAL AUDIT

Kumar Naresh Sinha & Associates, Practising Company Secretary has conducted Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report is placed at **Annexure-V**.

The Secretarial Auditor has observed that provisions of Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors have not been complied with during the financial year.

In regard to above, it was explained that POWERGRID, being a Govt. Company, the power to appoint Independent Directors vests with the Govt. of India and the Company has taken up with the Govt. of India for appointment of requisite number of Independent Directors.

24.4. COST AUDITORS OF THE COMPANY

The Company appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants and M/s Bandyopadhyaya Bhaumik & Co., Cost Accountants as Cost Auditors for the FY 2020-21 under Section 148 of the Companies Act, 2013.

25. BOARD & COMMITTEES


25.1. COMPANY'S BOARD

During FY 2020-21, Shri M. Taj Mukarrum assumed the charge of the post of Director (Finance) w.e.f. 04.07.2020, in terms of the Ministry of Power order dated 03.07.2020. Mrs. Seema Gupta, Director (Operations) demitted the additional charge of the post of Director (Finance) on 04.07.2020.

Shri Abhay Choudhary assumed charge of post of Director (Projects) w.e.f. 1st Novemebr,2020. Shri Rajeev Kumar Chauhan demitted the office of Director (Projects) on 31st October,2020 on attaining the age of superannuation.

Shri Mritunjay Kumar Narayan, Jt. Secretary, Ministry of Power, Govt. of India and Shri Dilip Nigam, Scientist 'G', Ministry of New and Renewable Energy, Government of India have been appointed on the Board of Company as Part-time Government Nominees Directors w.e.f. 5th November,2020 and 5th January,2021 respectively. Shri Tanmay Kumar, Jt. Secretary, Ministry of Power was on the Board of POWERGRID from 18th March,2020 to 5th November,2020.

Shri Manoj K. Mittal, Shri Sunil Kumar Sharma and Smt. A.R. Mahalakshmi, Independent Directors, have completed their respective tenure of 03 years respectively on 11th September,2020; 22nd July,2021 and 25th July,2021.



The Board placed on record appreciation and gratitude to Shri Rajeev Kumar Chauhan, Sh. Tanmay Kumar, Shri Manoj K. Mittal, Shri Sunil Kumar Sharma, Smt. A.R. Mahalakshmi for their contribution and support to the Company.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, the resolutions w.r.t. reappointment of Shri Vinod Kumar Singh (DIN: 08679313) and Shri M. Taj Mukarrum (DIN: 08097837), as Directors liable to retire by rotation; and appointment of Shri Abhay Choudhary as Director (Projects) have been included in the Notice of Annual General Meeting.

25.2. NUMBER OF MEETINGS OF THE BOARD

Board of Directors met **10 times during FY 2020-21**. Details regarding dates and attendance at the Board meetings are provided in the Report on Corporate Governance, which forms part of this report.

25.3. COMMITTEES OF THE BOARD

The Company has Audit Committee, CSR Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, and other Committees for operational convenience. The composition and scope of the aforesaid Committees are provided in the Report on Corporate Governance.

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

25.4. DECLARATION BY INDEPENDENT DIRECTORS

During the financial year, all the Independent Directors have met the requirements specified under Section 149 (6) of the Companies Act, 2013 for holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149 (7) was received.

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI LODR, 2015 Naresh Kumar Sinha & Associates, Company Secretaries have issued Certificate of Qualification of Directors, who were on the Board of Directors during FY 2020-21.

25.5. PERFORMANCE EVALUATION OF DIRECTORS

The Ministry of Corporate Affairs (MCA) vide Notification dated 5th June, 2015 has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act, 2013 (the Act), which provides for manner of evaluation of performance of Board, its Committees and Directors by Nomination and Remuneration Committee. The requirement of mentioning a statement on the manner of formal evaluation of performance of directors in Boards' Report as per section 134(3) (p) of the Act has also been done away with for Government Companies, where the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, as per its own evaluation methodology. Further, MCA vide its notification dated 5th July, 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Directors of non-independent directors and Chairman and performance evaluation of the Independent Directors by the Board, if the concerned departments or ministries have specified these requirements.

The Department of Public Enterprises (DPE) has laid down a mechanism for performance appraisal of all Functional Directors. DPE has also initiated evaluation of Independent Directors.

The Company enters into Memorandum of Understanding (MoU) with Ministry of Power (MoP) every year wherein Company is evaluated on various financial and non-financial parameters. The performance of the Company & Board of Directors is evaluated by the Department of Public Enterprises in terms of MoU entered into with MoP.

In terms of Regulation 25 of SEBI LODR, 2015, the performance of the Board as a whole and non-independent directors including Chairman & Managing Director were evaluated by the Independent Directors in a separate Meeting held by them on 3rd September, 2020.

25.6. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has framed a policy on the remuneration of the Directors, KMPs and employees as required under the provisions of Section 178 of the Act. The said policy is available on our website at https://www.powergridindia.com/sites/default/files/Investor_Relation/Reports_Filings/Code_of_Conduct_Policies/04_Remuneration%20Policy.pdf

26. COMPLIANCES

26.1. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

26.2. RISK MANAGEMENT POLICY

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

26.3. INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

26.4. ANNUAL RETURN OF THE COMPANY

In accordance with Section 92(3) read with Section 134 (3) (a) of the Companies Act, 2013, Annual Return(s) of the Company are available on the web-site of the Company and can be accessed at https://www.powergrid.in/sites/default/files/Draft-MGT-7_20-21-Final%20Version.pdf

26.5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

26.6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as **Annexure VIII** of this Report. Further, attention of the members is drawn on Note No. 56 of the Financial Statement which sets out related party disclosure.

26.7. SUBSIDIARIES AND JOINT VENTURES

As on 31st March 2021 the Company has **24 subsidiaries and 10 Joint Ventures Companies.**

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

26.8. DIVIDEND DISTRIBUTION POLICY

As per regulation 43A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstance that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retained profits earned by the Company. The policy is also available on the Company's website: <https://www.powergrid.in/sites/default/files/Dividend%20Distribution%20Policy.pdf>


26.9. SIGNIFICANT MATERIAL ORDERS

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

27. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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;

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

28. AWARDS & ACCOLADES

- During the year, your Company ranked 2nd among Indian PSUs in Forbes 'The World's Best Employer 2020 List'. Globally positioned as the 305th in the World's Best Employer 2020 List.
- Received SKOCH-Silver award for transformational performance in response to the COVID-19 pandemic & Skill development & employment generation program for sustainable growth of 200 underprivileged Women in Damoh district of MP.
- Recognized as one of the Best Workplaces in Industrial services for 2020 by Great Place to Work Institute, India.
- Received the prestigious GREENTECH award in COVID response category for CSR.
- In recognition to our significant achievements in Learning & Development, the Company has won SHRM HR Excellence Award for its Excellence in Learning & Development.

29. ACKNOWLEDGEMENTS

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

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

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

On behalf of Board of Directors, I would like to place on record our deep appreciation of the dedicated efforts and valuable services rendered by the employees contributing to the performance of the Company during the year 2020-21. The commitment displayed by the employees at all levels, particularly during the ongoing pandemic situation, is exemplary and praise worthy. I would also like to thank the Executive team for their strong leadership, the employee unions for their support and all our employees for their commitment, enthusiasm and dedication.

For and on behalf of the Board of Directors



(K. Sreekant)

Chairman & Managing Director

Date: 26th August, 2021

Place: New Delhi