

POWERGRID NM TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40106DL2011GOI219542)

ANNUAL REPORT (2017-18)

POWERGRID NM TRANSMISSION LIMITED

CIN: U40106DL2011GOI219542

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016.

Phone No.: 011-26560112, Fax: 011-26601081

Directors' Report

To,

Dear Shareholders,
Ladies & Gentlemen,

I am delighted to present on behalf of the Board of Directors, the Seventh Annual Report of Powergrid NM Transmission Limited {formerly known as Nagapattinam-Madhugiri Transmission Company Limited} on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID NM Transmission Company Limited (PNMTL), formerly known as Nagapattinam-Madhugiri Transmission Company Limited was acquired by POWERGRID on 29th March, 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A). Consequent to such acquisition, PNMTL become the wholly owned subsidiary of POWERGRID w.e.f. 29th March, 2012.

Project implementation:

Your Company has been engaged in the implementation of Nagapattinam-Salem 765 kV D/C Line (about 203 kms.) and Salem- Madhugiri 765 kV S/C Line (about 220 kms.). The status of project implementation is as under:

(i) Nagapattinam-Salem 765 kV D/C Line

Nagapattinam-Salem 765 kV D/C Line is under commercial operation w.e.f 23.10.2016.

(ii) Salem- Madhugiri 765 kV S/C Line

Construction work of Salem- Madhugiri 765 kV S/C Line was severely affected due to RoW, delay in Wild Life clearance. The Line is under advance stage of implementation and is expected to be completed within the end of the calendar year 2018.

Project Financing:

Till 31.03.2017, project financing was met through debt of Rs.921.49 Crore (inter-corporate Loan from POWERGRID) and Rs.212 Crore from the Equity.

Financial Performance

Rs. In Lakh

Particulars	2017-18	2016-17
Revenue from Operations	0.00	1891.99
Other Income	37.59	27.36
Total Income	37.59	1919.35
Expenses	11542.97	4817.42
Profit before Tax	(11505.38)	(2898.07)
Profit after Tax	(8314.08)	(1894.84)
Earnings Per Equity Share (Rs.)		
Basic (in Rs.)	(4.02)	(2.58)
Diluted (in Rs.)	(4.02)	(2.56)

Share Capital

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 215 crore and Rs. 212 crore, respectively. Subsequently the Authorised Share Capital was increased to Rs. 264 Crore. Further the Subscribed and Paid up Capital was increased to Rs. 244 Crore.

Dividend and Transfer to Reserves

Your Directors have not recommended any dividend on the equity shares for the period under review.

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

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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/loss of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure - II** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised five Directors viz. Shri Ravi P Singh, Smt. Seema Gupta, Shri D.K. Valecha, Shri S. Vaithilingam and Shri R.K. Singh.

There were some changes in the Board of Director of the Company during the financial year 2017-18. Shri R.P. Sasmal ceased to be Directors of the Company w.e.f. 28/02/2018.

Subsequently, on 30.04.2018 Shri D.K. Valecha and Shri S. Vaithilingam ceased to be Directors of the Company. Shri Anil Jain and Pramod Kumar had been appointed as Additional Directors w.e.f. 07.05.2018 and 11.05.2018 respectively, who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Anil Jain and Pramod Kumar as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

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

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri S. Ravindra Kumar is the CEO, Shri Ashwini Kumar Das is the CFO and Shri Mrinal Srivastava is the Company Secretary of the Company.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, Eleven (11) meetings of Board of Directors were held on 10.04.2017, 12.05.2017, 12.06.2017, 18.07.2017, 01.08.2017, 23.08.2017, 04.09.2017, 09.10.2017, 20.12.2017, 15.02.2018 and 15.03.2018. The details of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri R.P. Sasmal*	Chairman	10	10
Shri D.K. Valecha	Director	11	11
Shri S. Vaithilingam	Director	11	10
Shri R.K. Singh	Director	11	1
Shri Ravi P Singh	Director	11	11
Smt. Seema Gupta**	Director	10	4

*Ceased to be Director w.e.f 28/02/2018

**Appointed as Director w.e.f 12/05/2017

Committees of the Board

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. As on 31/03/2018, the Audit Committee comprised three members viz. Shri S Vaithilingam, Shri D.K.Valecha and Shri R. K. Singh as its members with Shri S Vaithilingam as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Shri Ravi P. Singh, Shri Anil Jain, Pramod Kumar and Shri R. K. Singh as its members with Shri Ravi P. Singh as Chairman.

During the financial year 2017-18, four (4) meetings of Audit committee were held on 10.04.2017, 12.05.2018, 14.06.2018 and 01.08.2017.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted in line with the requirement of the provisions of Section 178 of the Companies Act, 2013. As on 31/03/2018, the NRC comprised three members viz. Shri Ravi P Singh, Shri S Vaithilingam and Shri D.K. Valecha as its members with Shri Ravi P Singh as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Nomination & Remuneration Committee was reconstituted to Shri Ravi P Singh, Shri Anil Jain, and Shri Pramod Kumar as its members with Shri Ravi P. Singh as Chairman.

During the financial year 2017-18, one (1) meeting of the committee was held on 12.05.2017.

Committee of Directors for Bonds:

The Board of Directors has constituted a Committee of Directors for rising of funds from time to time through issue of Bonds. As on 31/03/2018, the Committee of Directors for Bonds comprises three members viz. Shri Ravi P. Singh, Shri S. Vaithilingam and Shri D. K. Valecha as its members with Shri Ravi.P. Singh as Chairman. Since the Company has not raised any amount from through issue of Bonds therefore no meeting of Committee for Bonds held during the financial year.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PNMTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors

M/s. Mallya & Mallya, Chartered Accountants, Bangalore, Karnataka, have carried out statutory audit for the Financial Year 2017-18.

Further, the Comptroller & Auditors General of India has appointed M/s. Mallya & Mallya, Chartered Accountants, Bangalore, Karnataka as Statutory Auditors of your Company for the Financial Year 2018-19.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 6th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 6th July, 2018 of NIL comments received from C&AG is placed at **Annexure-III** to this report

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Auditors' Report

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

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Secretarial Audit Report

CS Sunita Mathur, Practicing Company Secretaries has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2018. The Secretarial Auditor is placed at **Annexure – IV** to this report. The Secretarial Auditors have given an unqualified report.

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their 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.

Acknowledgement

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

For and on behalf of
POWERGRID NM Transmission Limited

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 06th September, 2018
Place : Gurgaon

POWERGRID NM TRANSMISSION LIMITED

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 29.03.2012].
b	Nature of contracts/arrangements/transaction	<p>Part (A) to take any security(ies) / Guarantee(s) in connection with loans(s) and/or avail Inter-corporate Loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of Rs.950 Crore from POWERGRID.</p> <p>The agreement entered into, are presently with POWERGRID towards inter-corporate loans of Rs. 921.49 Crore and Equity of Rs. 212.00 Crore (out of total sanctioned amount of Rs.215 Crs)</p> <p>Part (B) to avail all input & services as may be required by the Company from POWERGRID @ 5% of the actual</p>

		project cost (excluding IDC and Consultancy Fee) plus Service Tax as applicable.
c	Duration of the contracts / arrange-ments / transaction	Part (A) As mutually agreed. Part (B) Commissioning of The TBCB Project including associated reconciliation activities.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b).
e	Date of approval by the Board	29.08.2012
f	Amount paid as advances, if any	-

For and on behalf of
POWERGRID NM Transmission Limited

Sd/-
Ravi P. Singh
(Chairman)
DIN: 05240974

Date: 06th September, 2018
Place : Gurgaon

POWERGRID NM TRANSMISSION LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40106DL2011GOI219542
ii.	Registration Date	20.05.2011
iii.	Name of the Company	POWERGRID NM Transmission Limited
iv.	Category/ Sub-Category of the Company	Company Limited by Shares /Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Tel:0124-2571968 Fax:011-266010881
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Power Grid Corporation of India Limited (POWERGRID)*	L40101DL1989GOI038121	HOLDING COMPANY	100%	2(46)

* Holding Company w.e.f. 29.12.2012

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	600*	600	0	-	600*	600	0	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	133999400	133999400	100	0	211999400	211999400	100	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	
Sub-total(A)(1):-	0	134000000	134000000	100	0	212000000	212000000	100	
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-

(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	134000000	134000000	100	-	212000000	212000000	100	

* 600 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Power Grid Corporation of India Limited (POWERGRID)	133999400	99.9995522	-	211999400	99.9997169	-	0.000165
2.	R.P. Sasmal jointly with POWERGRID**	100	0.000075	-	-	-	-	(0.000075)
3.	Ranjan Kumar Srivastava jointly with POWERGRID*	100	0.000075	-	-	-	-	(0.000075)
4.	Upendra Pande jointly with POWERGRID	100	0.000075	-	100	0.000047	-	(0.000028)
5.	D.K Valecha jointly with POWERGRID	100	0.000075	-	100	0.000047	-	(0.000028)

6.	S. Vaithilingam jointly with POWERGRID	100	0.000075	-	100	0.000047	-	(0.000028)
7.	Seema Gupta jointly with POWERGRID	100	0.000075	-	100	0.000047	-	(0.000028)
8.	K.S.R. Murty * jointly with POWERGRID	-	-	-	100	0.000047	-	0.000047
9.	Ravi P. Singh** jointly with POWERGRID	-	-	-	100	0.000047	-	0.000047
Total		134000000	100		212000000	100	-	0.00

*100 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 15.02.2018

**100 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Shri Ravi P. Singh (jointly with POWERGRID) on 15.03.2018.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	134000000	100	134000000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1. 2,80,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 10.04.2017 in terms of Section 62(1) of the Companies Act, 2013. 2. 3,00,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 12.05.2017 in terms of Section 62(1) of the Companies Act, 2013. 3. 2,00,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 12.06.2017 in terms of Section 62(1) of the Companies Act, 2013.			
	At the End of the year	212000000	100	212000000	100

iv) Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				

	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri Ravi P. Singh, Director Chairperson				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	100 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Shri Ravi P. Singh (jointly with POWERGRID) on 15.03.2018.			
	At the End of the year	100*	0.000047	100*	0.000047
2	Shri D.K. Valecha, Director				
	At the beginning of the year	100*	0.000075	100*	0.000075
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	100*	0.000047	100*	0.000047
3	Shri S. Vaithilingam, Director				
	At the beginning of the year	100*	0.000075	100*	0.000075

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	100*	0.000047	100*	0.000047
4	Smt. Seema Gupta, Director				
	At the beginning of the year	100*	0.000075	100*	0.000075
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	100*	0.000047	100*	0.000047
5	Shri R.K. Singh, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

* Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	83,924.81	-	83,924.81
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	-	3,388.90	-	3,388.90
Total(i+ii+iii)	-	87,313.71	-	87,313.71
Change in Indebtedness during the financial year				
- Addition		8,893.67	-	8,893.67
- Reduction		-	-	-
Net Change	-	8,893.67	-	8,893.67
Indebtedness at the end of the financial year				
i) Principal Amount		92,429.81	-	92,429.81
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		3,777.57	-	3,777.57
Total (i+ii+iii)	-	96,207.38	-	96,207.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary Under section17(3) Income- tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTG/ Manager				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others ,please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others ,please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID NM Transmission Limited

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 06th September, 2018
Place : Gurgaon

By Speed post



भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

No.: DGCA/A/c/Desk/2017-18/PGCILNMT/1.10 /118

06 July 2018

To
The Chairman,
Powergrid NM Transmission Limited,
Bangalore.

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid NM Transmission Limited for the year ended on 31 March 2018

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid NM Transmission Limited for the year ended on 31 March 2018.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2017-18 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully,

(L. Tochhawng)
Director General

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID NM TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Powergrid NM Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid NM Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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



**(L. Tochhawng)
Director General of Commercial Audit &
x-Officio Member, Audit Board,
Hyderabad**

**Place: Hyderabad
Date: 06 July 2018**



Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Powergrid NM Transmission Limited

B-9, Qutab Institutional Area,

Katwaria Sarai, New Delhi - 110016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Power Grid NM Transmission Limited** [CIN: U40106DL2011GOI219542] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

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

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

(a) The Electricity Act, 2003 and Rules and Regulations made there under.



We have also examined compliance with the applicable clauses/Regulations of the following:

- I) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above

We further report that,

The Board of Directors is duly constituted with proper balance of Executive Directors, Non Executive Directors, Woman Director. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

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

Majority decisions are carried through while the dissenting members views are captured and recorded as part of the minutes.

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

Place: New Delhi
Date: August 30, 2018



Sunita Mathur
Company Secretary in Practice
FCS No. 1743
C P No.: 741

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



Sunita Mathur
Practicing Company Secretary

Annexure-A

To,
The Members,
Power NM Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110016

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

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



Place: New Delhi
Date: August 30, 2018

Sunita Mathur
Company Secretary in Practice
FCS No. 1743
C P No.: 741

POWERGRID NM TRANSMISSION LIMITED
CIN U40106DL2011GOI219542
BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
Property Plant and Equipment	4	74,554.92	78,686.50
Capital work-in-progress	5	39,744.32	28,678.38
Other Intangible assets	6	0.03	0.04
Deffered Tax Asset (Net)	7	4,194.53	1,003.23
Other non-current assets	8	45.80	223.52
		1,18,539.60	1,08,591.67
Current assets			
Financial Assets			
Cash and cash equivalents	9	3.22	6.33
Other current financial assets	10	1.90	1,899.43
Other current assets	11	-	0.29
		5.12	1,906.05
Total Assets		1,18,544.72	1,10,497.72
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	21,200.00	13,400.00
Other Equity	13	(10,209.31)	904.77
		10,990.69	14,304.77
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	92,149.73	83,924.81
		92,149.73	83,924.81
Current liabilities			
Financial Liabilities			
Trade payables	15	1.40	-
Other current financial liabilities	16	14,909.09	11,828.22
Other current liabilities	17	493.81	439.92
		15,404.30	12,268.14
Total Equity and Liabilities		1,18,544.72	1,10,497.72

The accompanying notes (1 to 43) form an integral part of financial statements

As per our report of even date

For **Mallya & Mallya**

Chartered Accountants

Firm Reg. No. 0019555

(CA. G.S. Prashanth)

Partner

Membership No. 218355



For and on behalf of Board of Directors

(Ravi P. Singh)

Chairman

DIN : 05240974

(Pranod Kumar)

Director

DIN : 0008132119

(A.K. Das)

CFO

(Minal Shrivastava)

Company Secy.

Place : Gurgaon

Date : 21-May-2018



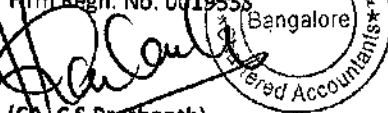
POWERGRID NM TRANSMISSION LIMITED
CIN U40106DL2011GOI219542
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations	18	0.00	1891.99
Other Income	19	37.59	27.36
Total Income		37.59	1919.35
EXPENSES			
Finance costs	20	5197.89	2225.55
Depreciation and amortization expense	21	4265.98	1866.99
Transmission, admin and Other expenses	22	2079.10	724.88
Total expenses		11542.97	4817.42
Profit/(loss) before tax		(11505.38)	(2898.07)
Tax expense:			
Current tax			
Deferred tax		(3191.30)	(1003.23)
Profit (Loss) for the period		(8314.08)	(1894.84)
Other Comprehensive Income			
Total Comprehensive Income for the period		(8314.08)	(1894.84)
Earnings per equity share (Par value of ₹ 10 each):			
Basic (in ₹)		(4.02)	(2.58)
Diluted (in ₹)		(4.02)	(2.56)

The accompanying notes (1 to 43) form an integral part of financial statements

As per our report of even date
For **Mallga & Mallga & Mallga**
Chartered Accountants
Firm Regn. No. 0019555



(CA) C S Prashanth)

Partner

Membership No.218355

For and on behalf of Board of Directors

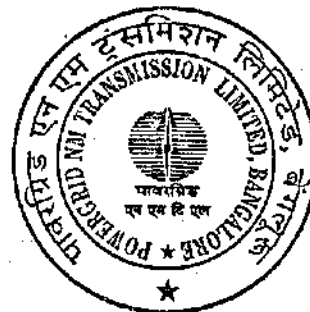
(Ravi P. Singh)
Chairman
DIN : 05240974

(Pramod Kumar)
Director
DIN : 0008132119

(A.K. Das)
CFO

(Mrinal Shrivastava)
Company Secy.

Place: Gurgaon
Date : 21-May-2018



Handwritten signature/initials at the bottom right.

POWERGRID NM TRANSMISSION LIMITED
CIN U40106DL2011GOI219542
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(11,505.38)	(2,898.07)
Provision for Others	1,891.99	
Depreciation for the year	4,265.98	1,866.99
	(5,347.41)	(1,031.08)
Adjustment For Increase/Decrease in:		
Other Current Assets	5.84	(1,881.11)
Short Term Loans & Advances		
Current Liabilities & Provisions	3,136.16	(6,399.47)
Net Cash generated from operations	(2,205.41)	(9,311.65)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property Plant and Equipment and Capital work in progress	(11,200.33)	(35,340.10)
Long-term loans and advances	177.72	476.61
Net cash used in investing activities	(11,022.62)	(34,863.49)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Issue of Share Capital	5,000.00	11,000.00
Share Application Money pending Allotment		2,800.00
Loan from Holding Company	8,224.92	30,374.22
Net cash from financing activities	13,224.92	44,174.22
D. Net Change In Cash and Cash equivalent (A+B+C)	(3.11)	(0.92)
E. Cash and Cash equivalent (Opening Balance)	6.33	7.25
F. Cash and Cash equivalent (Closing Balance)	3.22	6.33

The accompanying notes (1 to 43) form an integral part of financial statements

Further Notes :

1. Cash & Cash equivalents consist of balances with bank in current account.
2. Previous year figures have been re-grouped / re-arranged wherever required.

As per our report of even date

For **Mallik & Mallik**

Chartered Accountants & **Mallik & Mallik**

Firm Regn. No. 019985

(CA) C.S. Prashanth

Partner

Membership No. 218355

Bangalore

Chartered Accountants

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

Membership No. 218355

(Ravi P. Singh)
Chairman
DIN : 05240974

(A.K. Das)
CFO

(Pramod Kumar)
Director
DIN : 0008132119

(Mrinal Shrivastava)
Company Secy.

Place: Gurgaon
Date: 21-May-2018



POWERGRID NM TRANSMISSION LIMITED
CIN U40106DL2011GOI219542
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2018

A. Equity Share Capital

	(₹ in Lakhs)
As at 1st April, 2016	2,400.00
Changes in equity share capital	11,000.00
As at 1st April, 2017	13,400.00
Changes in equity share capital	7,800.00
As at 31st March, 2018	21,200.00

B. Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus	Total
		Retained Earnings	
Balance at 1st April, 2016	-	(0.38)	(0.38)
Total Comprehensive Income for the year	-	(1894.85)	(1894.85)
Other Changes	2,800.00		2,800.00
Balance at 31st March, 2017	2,800.00	(1,895.23)	904.77
Balance at 1st April, 2017	2800.00	(1895.23)	904.77
Total Comprehensive Income for the year		(8314.08)	(8314.08)
Other Changes	(2800.00)		(2800.00)
Balance at 31st March, 2018	0.00	(10209.31)	(10209.31)

The accompanying notes (1 to 43) form an integral part of financial statements

Refer Note 13 for movement and nature of Reserve and Surplus

As per our report of even date

For **Mallya & Mallya**

Chartered Accountants

Firm Regn. No. 019555

(CA. C.S. Prashanth)

Partner

Membership No. 218355



(Ravi P. Singh)

Chairman

DIN : 05240974

(A.K. Das)

CFO



For and on behalf of Board of Directors

(Pramod Kumar)

Director

DIN : 0008132119

(Mrinal Shrivastava)

Company Secy.

Place: Gurgaon

Date : 21-May-2018

ad

POWERGRID NM TRANSMISSION LIMITED
Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation					Net Book Value		
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Plant & Equipment												
a) Transmission	80,151.94			(134.02)	80,285.96	1,855.13	4,239.10			6,094.23	74,191.73	78,296.81
b) Communication System	400.57				400.57	11.71	26.70			38.41	362.16	388.86
Furniture Fixtures	0.58	0.42			1.00	0.06	0.05		-	0.12	0.88	0.52
Electronic Data Processing & Word Processing Machines	1.02	-			1.02	0.71	0.16		-	0.87	0.15	0.31
Total	80,554.11	0.42	-	(134.02)	80,686.55	1,867.61	4,266.02	-	-	6,133.63	74,554.92	78,686.50
Previous Year Total	1.60	80,552.51	-	-	80,554.11	0.37	1,867.24	-	-	1,867.61	78,686.50	1.23

POWERGRID NM TRANSMISSION LIMITED
Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation					Net Book Value		
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Plant & Equipment												
a) Transmission	-	80,151.94			80,151.94	-	1,855.13			1,855.13	78,296.81	-
b) Communication System	-	400.57			400.57	-	11.71			11.71	388.86	-
Furniture Fixtures	0.58	-			0.58	0.02	0.04		-	0.06	0.52	0.56
Electronic Data Processing & Word Processing Machines	1.02	-			1.02	0.35	0.36		-	0.71	0.31	0.67
Total	1.60	80,552.51	-	-	80,554.11	0.37	1,867.24	-	-	1,867.81	78,686.50	1.23



POWERGRID NM TRANSMISSION LIMITED

Note 5/Capital work in progress

Particulars	As at 1st April 2017		Additions during the year		Capitalised during the year		(₹ in Lakhs)
	As at 1st April 2017		year	Adjustments	year	As at 31st March 2018	As at 31st March 2017
Plant & Equipments (including associated civil works)							
a) Transmission	18,059.93		12,178.46			30,238.39	18,059.93
Construction Stores	8,174.48			3,888.34		4,288.14	8,174.48
Expenditure pending allocation							
i) Survey investigation consultancy & supervision Charges	34.44					34.44	34.44
ii) Expenditure during construction period(net) (Note 23)	2,409.58		2,773.82			5,183.35	2,409.53
	28,678.38		14,952.28	3,886.34		39,744.32	28,678.38
Previous Year Total	73,890.50		45,754.53	10,414.13	80,552.52	28,678.38	73,890.50

POWERGRID NM TRANSMISSION LIMITED

Note 5/Capital work in progress

Particulars	As at 1st April, 2016		Additions during the year		Capitalised during the year		(₹ in Lakhs)
	As at 1st April, 2016		year	Adjustments	year	As at 31st March, 2017	As at 31st March, 2016
Plant & Equipments (including associated civil works)							
a) Transmission	48,821.82		40,313.64		71,075.53	18,058.98	48,821.82
Construction Stores	18,588.61			10,414.13		8,174.48	18,588.61
Expenditure pending allocation							
i) Survey, investigation, consultancy & supervision Charges	86.94		31.20		83.70	34.44	86.94
ii) Expenditure during construction period(net)	6,393.13		5,409.69		9,393.29	2,409.53	6,393.13
	73,890.50		45,754.53	10,414.13	80,552.52	28,678.38	73,890.50

POWERGRID NM TRANSMISSION LIMITED

Note 5/Capital work in progress (Details of Construction stores)

(At cost)

Particulars	As at 31st March 2018		As at 31st March 2017		(₹ in Lakhs)
Construction Stores					
Towers		640.59		2,102.94	
Conductors		2,911.74		5,314.97	
Other Line Materials		735.81		756.57	
TOTAL		4,288.14		8,174.48	
Construction Stores include:					
Material with Contractors					
Towers		428.50		1,890.85	
Conductors		2,901.98		5,305.21	
Other Line Materials		703.09		723.85	
Total		4,033.57		7,919.91	



POWERGRID NM TRANSMISSION LIMITED

Note 6/Other Intangible assets

(₹ in Lakhs)

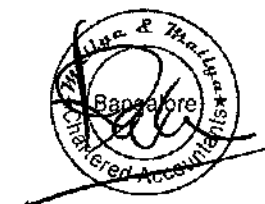
Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Electronic Data Processing Software	0.15	-	-	-	0.15	0.10	0.02	-	-	0.12	0.03	0.05
Total	0.15	-	-	-	0.15	0.10	0.02	-	-	0.12	0.03	0.04
Previous Year Total	0.15	-	-	-	0.15	0.06	0.04	-	-	0.10	0.05	0.09

POWERGRID NM TRANSMISSION LIMITED

Note 6/Other Intangible assets

(₹ in Lakhs)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Electronic Data Processing Software	0.15	-	-	-	0.15	0.06	0.04	-	-	0.10	0.05	0.09
Total	0.15	-	-	-	0.15	0.06	0.04	-	-	0.10	0.05	0.09



POWERGRID NM TRANSMISSION LIMITED

Note 7/ Deferred tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at 31st March,2018	As at 31st March,2017
Deferred Tax Liability		
Depreciation difference(Net) (A)	7,573.44	4,232.46
Deferred Tax Assets		
Income during Construction Period	1.61	0.01
Others	11,766.36	5,235.68
Sub-total (B)	11,767.97	5,235.69
Deferred Tax Asset (Net) (B-A)	4,194.53	1,003.23



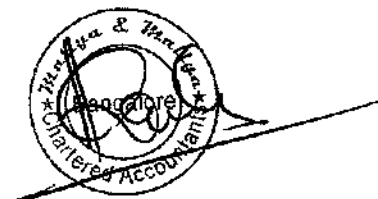
POWERGRID NM TRANSMISSION LIMITED

Note 8/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A) Advances for Capital Expenditure		
Unsecured		
Against bank guarantees	31.08	211.34
B) Advances recoverable in cash or in kind or for value to be received		
Balance with Customs Port Trust and other authorities	0.15	2.15
Advance tax and Tax deducted at source	14.57	10.03
TOTAL	45.80	223.52

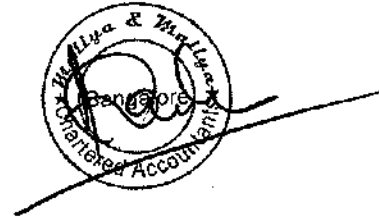


POWERGRID NM TRANSMISSION LIMITED

Note 9/Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
Balance with banks-		
-In Current accounts	3.22	6.33
Total	3.22	6.33



POWERGRID NM TRANSMISSION LIMITED

Note 10/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
1) Unbilled Revenue	1,891.99	1,891.99
Less : Provision for bad & doubtful debt #	1,891.99	-
	-	1,891.99
2) Interest accrued but not due		
Interest accrued on Others	0.04	7.43
3) Others*	1.86	0.01
Total	1.90	1,899.43

Against the unbilled revenue accounted during the FY 2016-17 towards revenue recognised against the commissioning of 765 kV D/C Nagapattinam-Salem transmission line, provision for bad & doubtful debts have been created for the same amount during the current FY 2017-18 in line with the CERC order dt. 26-Mar-2018. The order provides that the PNMTL is entitled for tariff for the entire transmission system after the 765 kV S/C Salem-Madhugiri Transmission Line is put under commercial operation. However, PNMTL has filed a review petition for modification of the above Order of CERC.

* TDS recoverable on provision made.



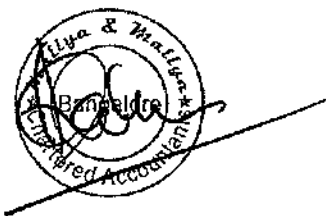
POWERGRID NM TRANSMISSION LIMITED

Note 11/Other current Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in kind or for value to be received		
Contractors & Suppliers	-	-
Others	-	0.29
Total	-	0.29



POWERGRID NM TRANSMISSION LIMITED

Note 12/Equity Share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
215000000 (31st March 2017 : 215000000) equity shares of ₹ 10/- each at par	21,500.00	21,500.00
Issued, subscribed and paid up		
212000000 (31st March 2017 : 134000000) equity shares of ₹ 10/-each at par fully paid up	21,200.00	13,400.00
Total	21,200.00	13,400.00

Further Notes:

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Shares outstanding at the beginning of the year	1340,00,000	13,400.00	240,00,000	2,400.00
Shares Issued during the year	780,00,000	7,800.00	1100,00,000	11,000.00
Shares outstanding at the end of the year	2120,00,000	21,200.00	1340,00,000	13,400.00

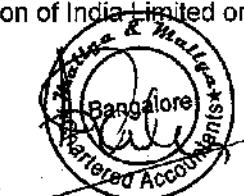
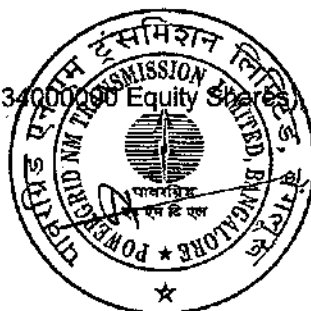
2) The Company has only one class of equity shares having a per value of ₹ 10/- per share.

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares #	% of holding	No. of Shares #	% of holding
i) Power Grid Corporation of India Ltd	2120,00,000	100.00	1340,00,000	100.00

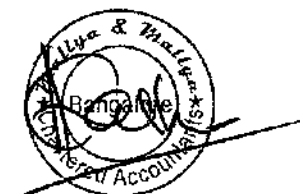
Out of 212000000 Equity Shares (Previous Year 134000000 Equity Shares), 600 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID NM TRANSMISSION LIMITED

Note 13/Other Equity

	(₹ in Lakhs)	
Particulars	As at 31st March,2018	As at 31st March,2017
Share Application Money pending Allotment	-	2,800.00
Reserves & Surplus		
Retained Earnings		
Balance at the beginning of the year	(1,895.23)	(0.38)
Add : Profit after tax as per Statement of Profit & Loss	(8,314.08)	(1894.85)
Balance at the end of the year	(10,209.31)	(1895.23)
TOTAL	(10,209.31)	904.77



POWERGRID NM TRANSMISSION LIMITED

Note 14/ Borrowings

Description	(₹ in Lakhs)	
	As at 31st March 2018	As at 31st March 2017
Loan (Unsecured)		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	92,149.73	83,924.81
TOTAL	92,149.73	83,924.81

Further notes:

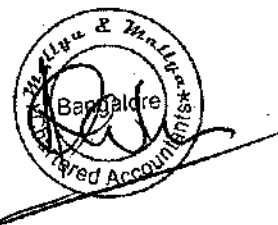
The Inter Corporate Loan is provided by the Holding Company on cost to cost basis carrying interest rate ranging from 7.20% to 8.93% and back to back servicing and the loan is repayable generally over a period of 14 to 15 years starting from 19-Oct-2018.



POWERGRID NM TRANSMISSION LIMITED

Note 15/Trade Payable

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Trade Payables	1.40	-
Total	1.40	-



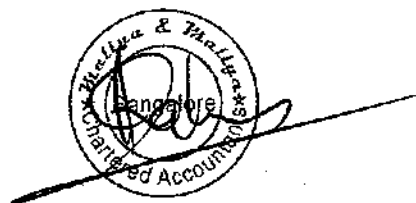
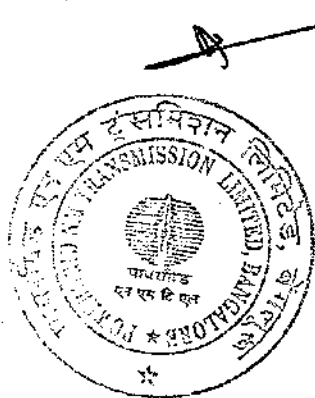
POWERGRID NM TRANSMISSION LIMITED

Note 16/Other Current Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
A) Current maturities of long term borrowings		
Un Secured		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	280.08	-
	<u>280.08</u>	
B) Interest accrued but not due on borrowings from		
Loan from Power Grid Corporation of India Ltd.	3,777.57	3,388.90
	<u>3,777.57</u>	<u>3,388.90</u>
C) Others		
Dues for capital expenditure	639.44	1,941.82
Deposits/Retention money from contractors and others	1,745.81	3,290.12
Related parties (M/s Power Grid Corporation of India Ltd)	8,121.15	3,166.63
Others *	345.04	40.75
	<u>10,851.44</u>	<u>8,439.32</u>
Total	<u>14,909.09</u>	<u>11,828.22</u>

* Other Liabilities pertaining to Contractor/Suppliers.

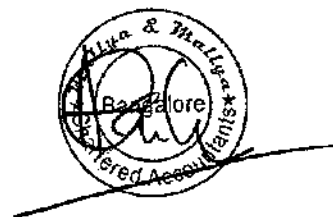
Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 31 (c)



POWERGRID NM TRANSMISSION LIMITED

Note 17/Other current liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory dues	493.81	439.92
Total	493.81	439.92

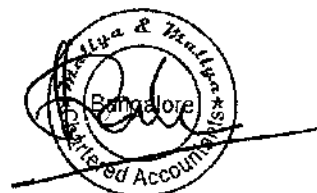


POWERGRID NM TRANSMISSION LIMITED

Note 18/Revenue from operations

	(₹ in Lakhs)	
Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Sales of Services		
Transmission Charges	-	1,891.99
Total	-	1,891.99

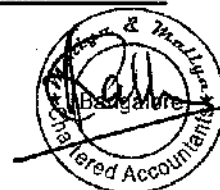
The CERC order dated 26 March 2018 provides that PNMTL is entitled for tariff for the entire transmission system after the 765 KV Salem- Madhugiri Transmission line is put under commercial operation. Accordingly Revenue from operation is not recognised. However, PNMTL has filed a review petition for modification of the above order of CERC.



POWERGRID NM TRANSMISSION LIMITED

Note 19/Other income

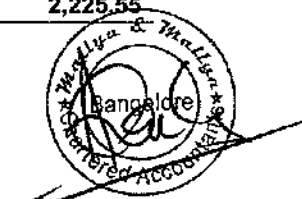
Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest from advances to contractors	4.89	65.90
FERV gain	0.43	4.31
Miscellaneous income	42.20	0.04
	47.52	70.25
Less: Income transferred to expenditure during construction (Net)-Note 23	9.93	42.89
TOTAL	37.59	27.36



POWERGRID NM TRANSMISSION LIMITED

Note 20/Finance costs

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A) Interest and finance charges on financial liabilities at amortised cost		
Loan from Power Grid Corporation of India Limited (Holding Company)	7,148.09	6,231.15
B) Other Finance charges		
Others	-	135.25
	7,148.09	6,366.40
Less: Transferred to Expenditure during Construction(Net)-Note 23	1,950.20	4,140.85
TOTAL	5,197.89	2,225.55



POWERGRID NM TRANSMISSION LIMITED

Note 21/Depreciation and amortization expense

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation of Property, Plant and Equipment	4,266.02	1,867.23
Amortisation of Intangible assets	0.02	0.05
	4,266.04	1,867.28
Less: Transferred to Expenditure During Construction(Net)-Note 23	0.06	0.29
TOTAL	4,265.98	1,866.99

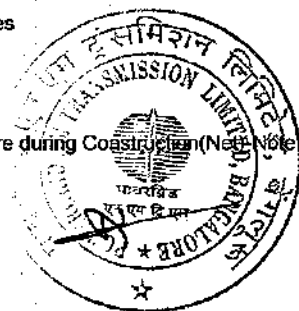


POWERGRID NM TRANSMISSION LIMITED

Note 22/Other expenses

(₹ in Lakhs)

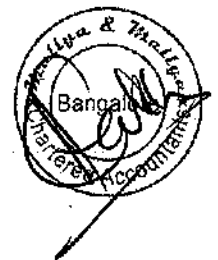
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Repair & Maintenance		
Buildings	-	0.43
Plant & Machinery		
Transmission lines	170.48	
Others	5.30	2.53
	175.78	2.53
System and Market Operation Charges	2.70	11.06
Water charges	0.04	0.06
Legal expenses	4.31	14.58
Professional charges(Including TA/DA)	0.60	0.17
Consultancy expenses(Including TA/DA)	746.25	1,809.48
Communication expenses	0.11	0.71
Travelling & Conv.exp.(excluding foreign travel)	13.95	31.25
Tender expenses	-	0.22
Payments to Statutory Auditors		
Audit Fees 2017-18 Provision	1.65	1.61
Audit Fees-2016-17 Arrear	0.04	-
Tax Audit Fees	0.24	-
Out of pocket Expenses	0.76	0.93
	2.69	2.54
Advertisement and publicity	-	0.96
Printing and stationery	2.38	4.37
EDP hire and other charges	0.67	0.60
Entertainment expenses	0.02	-
Brokerage & Commission	1.09	-
Rent	-	1.80
CERC petition & Other charges	5.00	8.00
Miscellaneous expenses	5.26	19.14
Security Expenses	-	5.12
Hiring of Vehicle	55.45	114.82
Rates and taxes	4.24	4.63
Transit Accomodation Expenses	-	1.01
Provisions	1891.99	
Bank charges	0.17	2.85
	2,912.60	2,036.32
	833.50	1,311.44
	2,079.10	724.88
	2,079.10	724.88
Less: Transferred to Expenditure during Construction (Note 23)		
Total		



POWERGRID NM TRANSMISSION LIMITED

Note 23/ Expenditure during Construction (Net)

	(₹ in Lakhs)	
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Other Expenses		
Repair and maintenance		
Buildings	-	0.28
Others	6.25	1.64
	6.25	1.92
Legal expenses	3.82	9.48
Professional charges	0.50	0.11
Consultancy expenses	746.25	1,176.92
Communication expenses	0.03	0.46
Travelling & Conv.exp.	12.68	20.32
Tender expenses	-	0.14
Payment to Auditors	2.69	1.65
Printing and stationery	2.13	2.84
EDP hire and other charges	0.67	0.39
Rent	-	1.17
Miscellaneous expenses	4.39	14.33
Security Expenses	-	3.33
Hiring of Vehicles	49.84	74.68
Rates and taxes	4.24	3.01
Transit Accomodation Expenses	-	0.66
Total(A)	833.50	1,311.44
B. Depreciation/Amortisation	0.06	0.29
C. Finance Costs		
Interest and finance charges on financial liabilities at amortised cost		
Loan from Power Grid Corporation of India Ltd (Holding Company)	1,950.20	4,052.88
Other finance charges		
Others	-	87.97
Total (C)	1,950.20	4,140.85
D. Less: Other Income		
Interest from Contractors	4.44	42.86
Miscellaneous income	5.49	0.03
Total (D)	9.93	42.89
GRAND TOTAL (A+B+C-D)	2,773.82	5,409.69



Notes to Financial Statements

1. Corporate & General Information

Powergrid NM Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The Company is principally engaged to develop, construct, operate and maintain power system network for the purpose of transmission of electricity through the states of Tamil Nadu and Karnataka (Project). The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The Company was incorporated on 20th May 2011 under the Companies Act, 1956 as a wholly owned subsidiary of PFC Consulting Limited (PFCCL), (A wholly owned subsidiary of Power Finance Corporation Ltd, a Govt. of India Undertaking.). The company was transferred to Power Grid Corporation of India Limited vide Share purchase Agreement dated 29th March 2012 by the PFCCL. After transfer, the company became a subsidiary of Power Grid Corporation of India Ltd. Name of the company has since been changed from NAGAPATTINAM-MADHUGIRI TRANSMISSION COMPANY LIMITED to POWERGRID NM TRANSMISSION LIMITED (referred to as "the company" or "PNMTL") during the FY 2012-13. The Project consists of construction of 765kV Double Circuit Transmission Line between Nagapattinam Pooling Station-Salem (Line Length 202.87 KM Approx) and 765kV Single Circuit Transmission Line between Salem-Madhugiri (Line Length 220.844 KM Approx). The 765kV Double Circuit Transmission Line between Nagapattinam Pooling Station-Salem was commissioned on 23-Oct-2016 and the construction of 765kV Single Circuit Transmission Line between Salem-Madhugiri is underway as at 31 March 2018.

The Financial Statements of the company for the year ended 31st March 2018 were approved for issue by the Board of the directors on 21st May 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

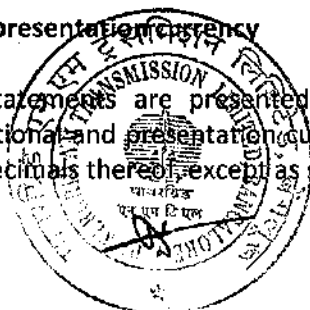
The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of Companies Act, 2013 (to the extent notified), the Companies Act,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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note 2.11 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

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



iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

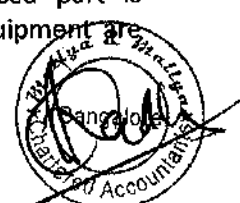
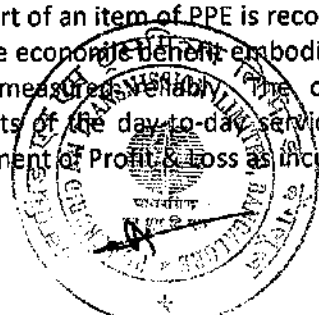
Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition



An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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

2.4 Intangible Assets and Intangible Assets under development

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software(which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

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

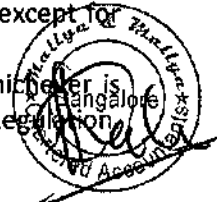
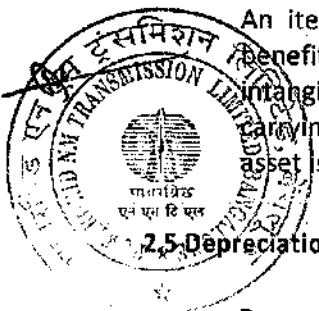
2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation.

Leasehold land acquired on perpetual lease is not amortized.



Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

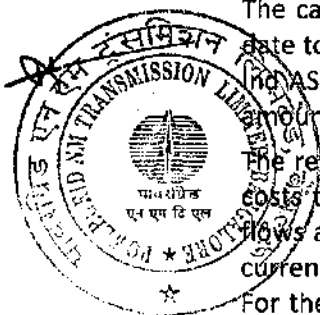
Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period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

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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

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



An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

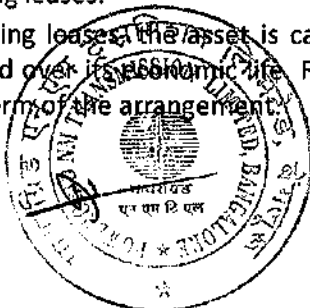
a) Finance leases

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

b) Operating leases

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.



ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost, The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

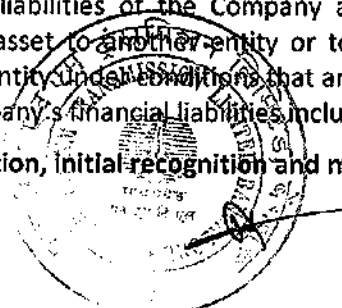
- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement



Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

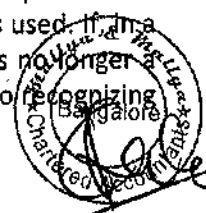
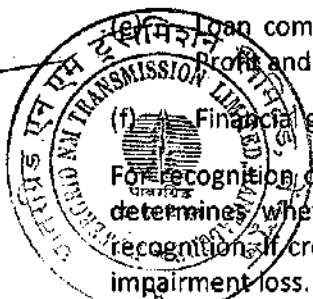
In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18

(e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).

(f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.



2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

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

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

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



2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) * Contingencies

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

b) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



24. Power Project

Transmission License for this Transmission Project was issued by CERC vide letter dated 15th July 2013 and letter for Grant of Authorisation u/s 164 of Electricity Act, 2003 by Ministry of Power on 09.12.2013. Procurement activities viz., bidding document, qualification requirements, packaging etc. have been carried out as per the approved procedure and including signing of contract agreements. The Project is partly commissioned during the financial year 2016-17 and balance is in execution as at the end of current financial year 2017-18.

25. Current Financial Liabilities and Expenses Incurred by PGCIL on behalf of Company

The Current financial liabilities include a sum of ₹ 591.76 Lakhs arising mainly due to expenses incurred by Holding company on behalf of the Company. Holding company has confirmed that no interest has been charged or is chargeable to the Company on the same. However, since the said amount is repayable on demand, the same is shown as current liability. Original Supporting bills in respect of expenditure incurred by holding company are retained by holding company of which copies are available with the Company. Holding company has confirmed that it has complied with statutory provisions relating to the 'Deduction of tax at source' etc. as applicable to respective expenses.

26. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

27. Party Balances and Confirmations

Balances of some parties like contractors, suppliers and service providers are subject to confirmation and reconciliation.

28. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency		₹ in Lakh	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Payables/deposits and retention money	USD	482,570	482,570	315.31	315.75
Amount of contracts remaining to be executed	USD	NIL	NIL	NIL	NIL

29. Auditors Remuneration

S. No.	Particulars	(₹ in Lakh)	
		FY 2017-18	FY 2016-17
1	Statutory Audit Fees	1.40	1.40



2	Service Tax/GST	0.25	0.21
3	Tax Audit Fees	0.24	-
4	Audit Fees 2016-17 Arrear	0.04	-
	Total	1.93	1.61

30. Recoverability of Excess Acquisition Price paid to PFCCL

Acquisition price originally paid by Holding Company included in the 'Incidental Expenditure During Construction' being part of CWIP and also included in the amount payable to the Holding Company comprises of an amount of ₹83.29 Lakhs, which is observed by the CAG in their IR dated 25-02-2014 as an excess money paid to PFCCL. During the FY 2016-17 an amount of ₹69.65 Lakhs was refunded by PFCCL on 09-Jun-2016. The company is pursuing the matter with PFCCL for recovery of balance excess amount of ₹13.64 Lakhs and the management is of the opinion the same is recoverable.

31. Other Disclosures

a. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company and are working on time share basis and deputation in terms of the consultancy agreement dated 11-Sep-2012 & amendment thereon dt. 08-Dec-2014. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement supra. Consultancy charges of ₹4,650.98 Lakhs are provided in the Accounts upto 31-Mar-2018 since inception. Since there are no employees in the company, the obligation as per Ind AS-19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

During the current financial year, PNMTL has entered into an agreement dated 30-06-2017 with POWERGRID for post operative activities including operation and maintenance of 765KV Nagapattanam Salem D/C Transmission line. For the year FY 2017-18, POWERGRID has raised bill of Rs.166.26 Lakhs in this regard.

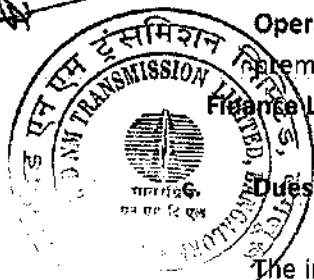
b. Leases

Operating Lease: The Company has no major operating leases except in respect of premises for office which is renewable in nature based on mutually agreed terms.

Finance Lease: The Company has no finance leases.

Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over-



to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

d. Borrowing Cost

The borrowing cost capitalized during the year is ₹1950.20 Lakhs (Previous Year ₹4,140.85 Lakhs) in the respective carrying amount of Property plant and equipment/ Capital Work in Progress (CWIP) as per Ind AS 23 'Borrowing Cost'.

32. (i) Fair value Measurements

(₹ in Lakh)

Financial instruments by category	31 March 2018		31 March 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Cash & Cash Equivalents		3.22		6.33
Other Financial Assets		1.90		1,899.43
Total financial assets		5.12		1905.76
Financial Liabilities				
Borrowings		96,207.38		87,313.71
Trade Payables		1.40		
Other Financial Liabilities		10,851.44		8,439.32
Total financial liabilities		107,060.22		95,753.03

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

An Explanation of each level follows underneath the table.

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
31 March 2018					
Financial Assets					
Total Financial Assets					
Financial Liabilities					
Borrowings	-	-	95,687.50	-	95,687.50
Total financial liabilities	-	-	95,687.50	-	95,687.50

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total



At 31 March 2017					
Financial Assets					
Total Financial Assets					
Financial Liabilities					
Borrowings			88,815.69	-	88,815.69
Total financial liabilities			88,815.69	-	88,815.69

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity113(91)(a) instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

**(iii) Fair value of financial assets and liabilities measured at amortized cost
(₹ in Lakh)**

	31 March 2018		31 March 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Total Financial Assets				
Financial Liabilities				
Borrowings	96,207.38	95,687.50	87,313.71	88,815.69
Total financial liabilities	96,207.38	95,687.50	87,313.71	88,815.69



The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other current financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

33. Capital and other commitments

(₹ in Lakh)		
Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	529.99	1,731.46

Company has approved an estimate of ₹37,094 Lakhs towards Tree/Crop/Tower land compensation, out of which an amount of ₹21,516.08 Lakhs is spent till 31st Mar 2018.

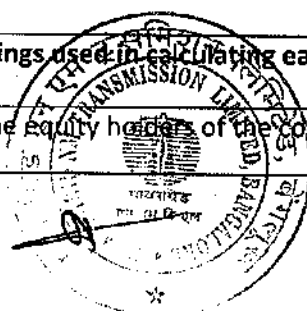
34. Contingent Liabilities

(₹ in Lakh)		
Contingent liabilities	31 March, 2018	31 March, 2017
a. Claims against the company not acknowledged as debt	121.06	47.64
b. Guarantees given by third parties including banks on behalf of the company	-	2,000.00

35. Earnings Per share

(in ₹)		
(a) Basic and Diluted earnings per share attributable to the equity holders of the company-	31 March 2018	31 March, 2017
Basic Earning Per Share	(4.02)	(2.58)
Diluted Earning Per Share	(4.02)	(2.56)

(₹ in Lakh)		
(b) Reconciliation of earnings used in calculating earnings per share	31 March 2018	31 March, 2017
Earnings attributable to the equity holders of the company	(8314.08)	(1894.84)



(c)Weighted average number of shares used as the denominator	31 March 2018 Number of shares	31 March 2017 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	206,758,904	73,471,233
Adjustments for calculation of diluted earnings per share:	-	553,425
Total Weighted average number of equity shares used as the denominator in calculating basic earnings per share	206,758,904	74,024,658

36. Related party Transactions

(a) Holding Company

Name of Entity	Place of Business/Country of Incorporation/Relationship	Proportion of Ownership interest	
		31-Mar-18	31-Mar-17
Power Grid Corporation of India Limited	India-Holding Company	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31 st March, 2018	31 st March, 2017
Powergrid Vizag Transmission Limited	India	N.A	N.A
Powergrid Unchahar Transmission Limited	India	N.A	N.A
Powergrid Kala Amb Transmission Limited	India	N.A	N.A
Powergrid Jabalpur Transmission Limited	India	N.A	N.A
Powergrid Warora Transmission Limited	India	N.A	N.A
Powergrid Parli Transmission Limited	India	N.A	N.A
Powergrid Southern	India	N.A	N.A
Powergrid Southern Connector Transmission Limited	India	N.A	N.A
Powergrid Vemagiri Transmission Limited	India	N.A	N.A
Grid Conductors Limited*	India	N.A	N.A
Powergrid Medinipur Jeerat Transmission Limited	India	N.A	N.A
Powergrid Mithilanchal Transmission Limited**	India	N.A	N.A
WR-NR Transmission Limited***	India	N.A	N.A

* Pursuant to the application dated 13th June 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary.

** 100% equity in PowergridMithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018.

*** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018.

(c) Joint Ventures of Holding Company

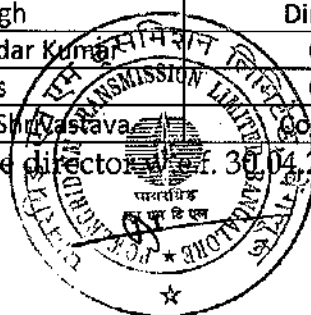
Name of entity	Place of business/ country of Incorporation	Proportion of Ownership Interest	
		31 st March, 2018	31 st March, 2017
Powerlinks Transmission Limited	India	N.A	N.A
Torrent Power Grid Limited	India	N.A	N.A
JaypeePowergrid Limited	India	N.A	N.A
ParbatiKoldam Transmission Company Limited	India	N.A	N.A
Teestavalley Power Transmission Limited	India	N.A	N.A
North East Transmission Company Limited	India	N.A	N.A
National High Power Test Laboratory Private Limited	India	N.A	N.A
Bihar Grid Company Limited	India	N.A	N.A
KalingaVidyutPrasaran Nigam Private Limited*	India	N.A	N.A
Cross Border Power Transmission Company Limited	India	N.A	N.A
RINL Powergrid TLT Private Limited	India	N.A	N.A
Power Transmission Company Nepal Ltd	Nepal	N.A	N.A

*POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/removal of the name of KalingaVidyutPrasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC).

(d) Key Managerial Personnel

Name	Designation	Date of Appointment	Date of Resignation
Shri Ravi P. Singh	Chairman & Director	29.11.2012	Continuing
Shri R.P. Sasmal	Chairman & Director	09.12.2015	28.02.2018
Smt. Seema Gupta	Director	12.05.2017	Continuing
Shri S. Vaithilingam*	Director	04.03.2015	Continuing
Shri D.K. Valecha*	Director	04.03.2015	Continuing
Shri R.K. Singh	Director	09.12.2015	Continuing
Shri S Ravindar Kumar	CEO	02.09.2016	Continuing
Shri A.K. Das	CFO	26.07.2016	Continuing
Shri Mrinal Singh Vastava	Co. Secy.	18.05.2015	Continuing

* ceased to be director on 30.04.2018



There is no outstanding balance payable or receivable from any managerial personnel as at the beginning or at the end of the year.

(e) Directors, CEO, CFO and Company Secretary's compensation

The above personnel working for the company are from holding company and are working on time share basis and deputation. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement dt. 11-Sep-2012 & amendment thereon dt. 08-Dec-2014. Since there are no employees in the company, the obligation as per Ind AS -19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

(f) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakh)		
Particulars	31 March, 2018	31 March, 2017
Services received by the Company		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.		
Consultancy Charges (Excluding Taxes)	777.18	1,809.48
Interest on loan	7,148.09	6,231.15
Total	7,925.27	8,040.63

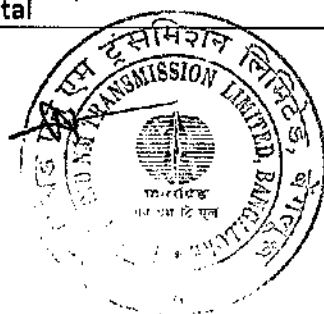
(g) Outstanding balances arising from sales/purchases of goods and services

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

(₹ in Lakh)		
Particulars	31 March, 2018	31 March, 2017
Other payables (Expenses Consultancy Fee / Interest)		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	8,121.15	3,166.63
Total payables to related parties	8,121.15	3,166.63

(h) Loans to/from related parties

(₹ in Lakh)		
Loans from Holding Company	31 March, 2018	31 March, 2017
Power Grid Corporation of India Ltd.	92,429.81	83,924.81
Total	92,429.81	83,924.81



(i) Interest Payable on Loan

(₹ in Lakh)		
Particulars	31 March, 2018	31 March, 2017
Holding		
Power Grid Corporation of India Ltd.	3,777.57	3,388.90
Total	3,777.57	3,388.90

37. Capital management

a) Risk Management

The company's objectives when managing capital are to

maximize the shareholder value;

safeguard its ability to continue as a going concern;

maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The company monitors the debt equity ratio as the company policy is to maintain a 80:20. However since the company has not fully implemented the project the actual ratio as on 31.03.2018 is 81.34 :18.66 is temporary and consider normal. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

b) Dividends

No dividend has been declared by the company in the previous year and current year.

38. Segment Information

Business Segment

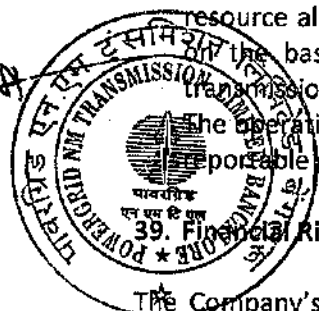
The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services.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

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

39. Financial Risk Management

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

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



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

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

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

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

A) Credit Risk

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

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

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

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DTCs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of surcharge on delayed payment beyond 60 days. A graded rebate is provided by the Company for payments made within 60 days.

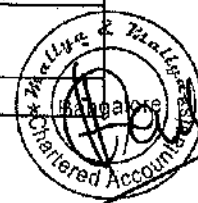
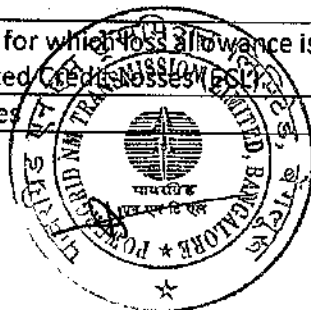
(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹3.22 Lakhs (Previous year: ₹6.33 Lakhs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

Exposure to credit risk

(₹ in Lakh)		
Particulars	31st March, 2018	31st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	3.22	6.33
Other current financial assets	1.90	1,899.43
Total	5.12	1,905.76
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	-	-
Trade receivables	-	-



○ **Provision for expected credit losses**

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

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

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

The Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior.

Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

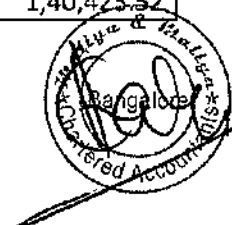
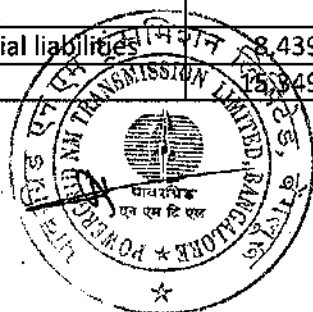
The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in Lakh)				
Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 stMarch 2018				
Borrowings (including interest outflows)	7,668.99	69,218.60	64,512.09	1,41,399.68
Other Current financial liabilities	10,852.84	-	-	10,852.84
Total	18521.83	69,218.60	64,512.09	1,52,252.52
31st March 2017				
Borrowings (including interest outflows)	6,910.49	56,566.50	68,507.21	1,31,984.20
Other Current financial liabilities	8,439.32	-	-	8,439.32
Total	15,349.81	56,566.50	68,507.21	1,40,423.52



C) Market risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings. The Exposure to foreign currency for prequirement of goods and services is given in Note 28.

ii) Interest rate risk

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

40. Income Tax expense

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The Company's tax positions.

(a) Income tax expense

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Current Tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred Tax	-	-
Decrease (increase) in deferred tax assets	(6532.28)	(5,235.69)
Increase (increase) in deferred tax liabilities	3,340.98	4,232.46
Total deferred tax expense /benefit	(3,191.30)	(1,003.23)
Income tax expense	(3,191.30)	(1,003.23)

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

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Profit before income tax expense	(11505.38)	(2898.07)
Tax at the Indian tax rate of NIL	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(3191.30)	(1,003.23)
Deferred tax recognized		
Income tax expenses	(3191.30)	(1,003.23)



41. Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers', Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements.

42. **Corporate Social Responsibilities (CSR) :**

As per section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year, every year the company is required to spend, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Since, PNMTL has not satisfied any of the above criteria, expenditure on account of CSR does not apply to the company.

43. a) Figures have been rounded off to nearest rupee in lakhs up to two decimal.
b) The previous year figures have been reclassified/re-grouped to conform to the current year's classification.

As per our report of even date

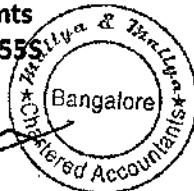
For **Mallya & Mallya**

Chartered Accountants

Firm Regn. No. 001955



(CA. C.S. Prashanth)
Partner

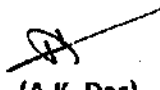
Membership No. 218355

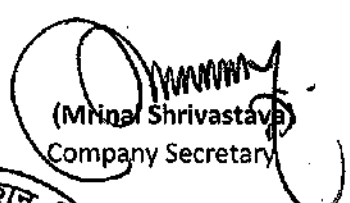


For and on behalf of Board of Directors


(Ravi P. Singh)
Chairman
DIN : 05240974


(Pramod Kumar)
Director
DIN : 0008132119


(A.K. Das)
CFO


(Minal Shrivastava)
Company Secretary

Place: Gurgaon
Date: 21-May-2018





INDEPENDENT AUDITORS' REPORT

To,
THE MEMBERS OF
POWERGRID NM TRANSMISSION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **POWERGRID NM TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and 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 then ended and a summary of the significant accounting policies and other explanatory information.

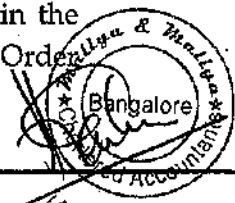
Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.





We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

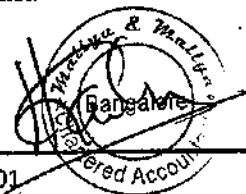
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure - A' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) As the Government Companies have been exempted from applicability of the provision of section 164(2) of the Companies Act, 2013, reporting on disqualification of Directors not required.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
- The company disclosed the impact of pending litigations on the Financial position in its standalone financial statements of the Company-Refer Note 34 to the standalone financial statements
 - The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - There has been no Delay in Transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. In terms of Section 143 (5) of the Companies Act 2013, we give in the "Annexure C" statement on the directions issued by the Comptroller and Auditor General of India.

For **Mallya & Mallya,**

Chartered Accountants

Firm Reg. No.001955S

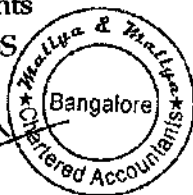

CA S Prashanth

Partner

Membership No: 218355

Place: Gurgaon

Date: 21st May, 2018





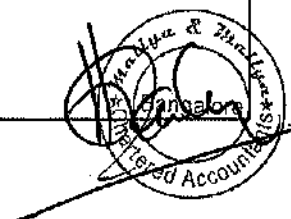
ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report to the Members of Power grid NM Transmission Limited of even date)

S. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	According to the information and explanation given to us, the company does not have any immovable properties. Accordingly this clause of the order is not applicable to the company.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	According to the information and explanation given to us, the company has conducted physical verification of inventory including construction stores at reasonable intervals and no material discrepancies have been noticed.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	According to the information and explanations given to us, the Company has not granted unsecured loans to Companies, Firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clauses 3(iii) are not applicable to the company.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	Not Applicable
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c) If the amount is overdue, state the total amount overdue for more than ninety days,	Not Applicable

	and whether reasonable steps have been taken by the company for recovery of the principal and interest;	
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	In our opinion and according to the information and explanations given to us, the Company does not have loans, Investments, guarantees and security covered under Sections 185 and 186 of the Companies Act, 2013 and accordingly clause 3(iv) of the order not applicable to the company.
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Transmission and Telecom Operations. However, the company has not crossed the threshold limits of requirements of maintaining the Cost Records and hence the same has not been maintained.
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
	(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where	There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other

Chartered Accountant
Bangalore

	dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	According to the information and explanations given to us, the company has raised moneys by way of further issue of share capital to the holding company and raised term loan as inter corporate borrowings from the holding company and both share capital and loan so received from the holding company have been applied for the purposes for which it is received.
(x)	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	As Explained to us, the company has not paid or provided for managerial remuneration for the year under review .the key managerial personnel(KMP) includes CEO, CFO, being employees of the holding company have been deputed on <u>full time basis</u> and other KMPs along with other employees have been deputed on part time basis. No managerial remuneration has been paid to such representatives by the company except for consultancy services charged by the holding company based on time and manpower spent. Accordingly provisions of section 197 of the Companies Act, 2013 are not applicable and also clause 3(xi) of the Order is not Applicable to the company.
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

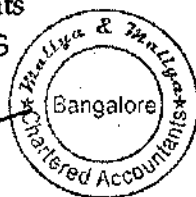


(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with	In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Mallya & Mallya,**

Chartered Accountants

Firm Reg. No.001955S



(Signature)
CA C S Prashanth

Partner

Membership No: 218355

Place: Gurgaon

Date: 21st May, 2018



**'Annexure B' to the Independent Auditor's report of Even Date in the Financial
Statements of**

POWERGRID NM TRANSMISSION LIMITED

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

We have audited the internal financial controls over financial reporting of **POWERGRID NM TRANSMISSION LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

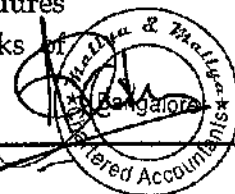
Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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





material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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






Opinion

In our opinion, the Company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For **Mallya & Mallya**,
Chartered Accountants
Firm Reg. No.001955S


CA C S Prashanth
Partner



Membership No: 218355

Place: GURGAON

Date: 21st MAY 2018



'Annexure C' to the Independent Auditor's report of Even Date in the Financial Statements of POWERGRID NM TRANSMISSION LIMITED

Statement on the directions issued by the Comptroller and Auditor General of India


We have verified various documents and other relevant records and also on the basis of information and explanations provided to us, by the management of Powergrid NM Transmission Limited to ascertain whether the company has complied with the section 143(5) of the Companies Act, 2013 and give our report against each specific direction as under.

Sl.	Direction	Auditors Remarks
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively (if not please state the area of free hold/lease hold for which title or lease deeds are not available)	The Company does not have any land whether freehold or leasehold.
2	Whether there are any cases of waiver/write-offs of debts/loans/interest ,etc. if yes, the reasons there for and amount involved.	We have not come across any such cases of waiver/write off of debts/loans/interest etc. during the year
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from Govt or other authorities.	In respect of inventories lying with third parties, the company has maintained proper records and we have verified the same. As per information and explanations provided by the company, none of the assets have been received as gift from Govt. or other authorities.

For **Mallya & Mallya,**

Chartered Accountants

Firm Reg. No.001955S


CA C S Prashanth
Partner



Membership No: 218355

Place: Gurgaon

Date: 21st May, 2018



To,
The Deputy Director
Indian Audit & Accounts Department
Office of The Principal Director Of Commerce Audit &
Ex- Official Member, Audit Board,
A.G'S Office Complex, Saifabad,
Hyderabad-500 004.

Dear Sir,

We have completed the statutory audit of M/s. **POWERGRID NM TRANSMISSION LIMITED** for the financial year ended on 31st March 2018.

We are pleased to submit herewith the following:

1. Audited Financial Statements and Notes on accounts,
2. Statutory Audit Report with Annexures,
3. Directions/ Sub- Directions issued by the C&AG of India under sec.143(5) of the Companies Act,2013

Thanking You,
Yours faithfully

For **Mallya & Mallya**

Chartered Accountants

Firm No: 001955




CA C.S. Prashanth

Partner

M.No. 218355

Date: 22.05.2018

Place: Bangalore



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **M/s. Power Grid NM Transmission Limited** for the year ended 31st March 2018 in accordance with the directions/ sub- directions issued by the C& AG of India under sec.143(5) of the Companies Act,2013 and certify that we have complied with all the direction/ sub- directions issued to us.

For **Mallya & Mallya**

Chartered Accountants

Firm No: 0019555

CA C.S Prashanth

Partner

M.No. 218355

Date: 22.05.2018


Place: Bangalore

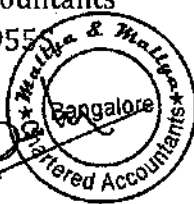


MAN DAYS FOR AUDIT OF
M/S. POWER GRID NM TRANSMISSION LIMITED
FOR THE FINANCIAL YEAR 2017-18

Name	Man Days/ Hours Spent in Audit	DA paid/ payable (Rs.)	Out of pocket expenses paid/ payable (Rs.) (TA)
a) CA CS Prashanth Partner	6 days	1800	2800
b) Chartered Accountant - Employees 1. CA Sameera Sharma	10 days	1400	4200
c) Assistants/ Staff 1. Mr. Esam Venkatesh 2. Mr. Jilani	17 days	5984	2800
TOTAL			18984
Rupees Eighteen Thousand Nine Eighty Four Only			

For **Mallya & Mallya**
Chartered Accountants
Firm No: 001955


CA C.S. Prashanth
Partner
M.No. 218355



Date: 22.05.2018
Place: Bangalore

POWERGRID VIZAG TRANSMISSION LIMITED

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

(CIN: U40300DL2011GOI228136)

ANNUAL REPORT 2017-18

POWERGRID VIZAG TRANSMISSION LIMITED

CIN: U40109DL2014GOI228136

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

Tel: 011-26560112; Fax: 011-26601081

Director's Report

To,

Dear Shareholders,

The Board of Directors have the pleasure of presenting the 7th Annual Report on performance of POWERGRID Vizag Transmission Limited (PVTL). PVTL was acquired by POWERGRID from REC Transmission Projects Company Limited (the Bid process coordinator) on August 30, 2013 under Tariff Based competitive bidding for establishing Transmission system for 'System strengthening in Southern region for import of power from Eastern Region'. The Khammam-Nagarjunasagar 400kV D/c Line was commissioned on 31.12.2015 and Srikakulam-Vemagiri 765kV D/c Line was commissioned on 01.02.2017. The Project is under commercial operation.

As on 31.03.2018, the Authorised share capital of the Company is ₹220 Crore and paid-up share capital is ₹209.73 Crore. During FY 2017-18 total income of the Company stood at ₹244.13 Crore and Profit after Tax stood at ₹77.67 Crore. The Company has paid interim dividend of ₹1 per share (Face value of ₹10/- each) and in addition recommendation of final dividend made @ ₹0.10 per share for FY 2017-18, subject to approval of the Shareholders.

Financial Performance

(in ₹ Crore)		
Description	2017-18	2016-17
Revenue from Operations	242.29	67.58
Other income	1.84	0.38
Total Income	244.13	67.96
Expenses	162.98	98.51
Profit/ (Loss) before Tax	81.15	(30.54)
Profit/(Loss) after Tax	77.67	(21.94)
Earnings per Equity Share		
- Basic	3.70	(1.63)
- Diluted	3.70	(1.63)

Share Capital

As on 31.03.2018 the Authorized Share Capital of the Company is ₹220,00,00,000 divided into 22,00,00,000 equity shares of ₹10 each.

The issued and paid-up Share Capital of the Company is ₹209,73,00,000 divided into 20,97,30,000 equity shares of ₹10 each.

Dividend and Transfer to Reserves

For FY 2017-18 your Company has proposed final dividend @ ₹0.10 per share in addition to ₹1 per share of interim dividend paid in December, 2017 taking total dividend to ₹1.10 per share. The total dividend pay out for the year amounts to ₹23,07,03,000 (including

interim dividend of ₹20,97,30,000). The final dividend shall be paid after your approval at the Annual General Meeting.

During the year under review your Company has transferred ₹28.26 Crore to Bond Redemption Reserve and ₹1.57 Crore to Self Insurance Reserve.

Statutory Auditors of the Company

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s Bansal & Dave, Chartered Accountants were appointed as Statutory Auditors for the Financial Year 2017-18. Further, C&AG has appointed M/s Bansal & Dave, Chartered Accountants as Statutory Auditors for FY 2018-19.

Statutory Auditor's Report

M/s Bansal & Dave, Chartered Accountants the Statutory Auditors for FY 2017-18 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Cost Auditors of the Company.

Your Company appointed M/s B. V. S. & Co. Cost Accountants as Cost Auditors for the Financial Year 2017-18 under Section 148 of the Companies Act, 2013.

The Cost Audit Reports for the FY 2017-18 will be filed with the Cost Audit Branch, Ministry of Corporate Affairs before due date i.e. September 27, 2018.

Particulars of contracts or arrangements with related parties

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

Extract of Annual Return

The extract of Annual Return in Form MGT-9 is enclosed at **Annexure-II** to this Report.

Comptroller and Auditor General's Comments

Comptroller and Auditor General vide letter dated 25th June, 2018 has given NIL comments report on supplementary audit of the financial statements of the Company for the year ended 31st March, 2018. Copy of letter dated 25th June, 2018 of NIL comments received from C&AG is placed at **Annexure-III** to this report.

Secretarial Auditor

Ms. Sunita Mathur, Practicing Company Secretary has conducted Secretarial Audit of your Company for the financial year ended 31st March, 2018. The Secretarial Audit Report is attached at **Annexure-IV** to this Report.

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo.

There is no Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo for the period under review.

Corporate Social Responsibility.

Your Company discharges its Corporate Social Responsibility (CSR) by committing itself to contribute to the society, through initiatives that have positive impact on society at large.

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

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

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

No significant & material orders passed by any authority during Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respect, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Board of Directors and Key Managerial Personnel.

Board of Directors:

As on 31st March, 2018, your Company's Board comprised of five Non-Executive Directors namely Shri Ravi P. Singh, Shri V. Sekhar, Ms. V. Susheela Devi, Shri S. Vaithilingam and Shri D. K. Valecha.

The composition of Board of Directors underwent some changes during the Financial Year 2017-18. Shri R. P. Sasmal, ceased to be a Director of the Company w.e.f. 28th February, 2018.

Subsequently, during Financial Year 2018-19, Shri S. Vaithilingam and Shri D.K. Valecha ceased to be Directors of the Company w.e.f. 30th April, 2018. The Board places on record the appreciation and gratitude to Shri R.P. Sasmal, Shri S. Vaithilingam and Shri D. K. Valecha for their contribution and support to the Company.

Shri Prem Narayan Dixit and Shri Deep Chandra Joshi have been appointed as Additional Directors of the company w.e.f. 7th May, 2018 and hold office up to the date of ensuing Annual General Meeting. The Company has received a Notice under

Section 160 of the Companies Act, 2013 from a Member of the Company proposing the candidature of Shri Prem Narayan Dixit and Shri Deep Chandra Joshi as Director liable to retire by rotation in the ensuing Annual General meeting.

In accordance with provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 read with Articles of Association of the Company, Shri Ravi P Singh shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

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

Number of Board meetings held during the Financial Year

During the Financial Year ended 31st March, 2018, eight (08) board meetings were held on 02-06-2017, 04-07-2017, 18-09-2017, 29-09-2017, 29-12-2017 31-01-2018, 16-03-2018 and, 23-03-2018.

Name of the Director	Designation	No. of Board Meetings which were entitled to attend during FY 2017-18.	No. of Board Meetings attendance during FY 2017-18.
Shri R.P. Sasmal*	Chairman	06	06
Shri Ravi P. Singh	Director	08	07
Shri V. Sekhar	Director	08	01
Shri D. K. Valecha**	Director	08	06
Shri S. Vaithilingam***	Director	08	08
Smt. V. Susheela Devi#	Director	07	02

* Ceased to be a Director w.e.f. 28.02.2018

** Ceased to be a Director w.e.f. 30.04.2018

***Ceased to be a Director w.e.f. 30.04.2018

Appointed as a Director w.e.f. 02.06.2017

Key Managerial Personnel:

As on 31st March, 2018, Shri S. Ravi is Chief Executive Officer (CEO), Shri D. Kumaraswamy is Chief Finance Officer (CFO) and Shri Arup Samanta is Company Secretary of the Company.

Further, Shri D. Sudarshan has been appointed as CFO of the Company w.e.f. 6th July, 2018. Shri D. Kumaraswamy ceased to be CFO of the Company w.e.f. 6th July, 2018.

Committees of the Board of Directors:

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Committee of Directors for Bonds
- iii) Corporate Social Responsibility Committee
- iv) Nomination & Remuneration Committee

(i) Audit Committee:

The Company has constituted Audit Committee pursuant to provisions of Section 177 read with Rule 6 of the Companies Rules, 2014 and all other applicable provisions if any of the Companies Act, 2013. As on 31st March, 2018, the Audit Committee comprised following Directors:

- | | | |
|----|-----------------------|----------|
| 1. | Shri S. Vaithilingam* | Chairman |
| 2. | Shri V. Sekhar | Member |
| 3. | Shri D. K. Valecha* | Member |

*Shri S. Vaithilingam and Shri D.K. Valecha were members upto 30.04.2018.

The Audit Committee was reconstituted on 10th May, 2018 due to resignation of Shri S. Vaithilingam, Director and Shri D.K. Valecha, Director with following Directors:

- | | | |
|----|-------------------------|-------------|
| 1. | Ms. Susheela Devi | Chairperson |
| 2. | Shri V. Sekhar | Member |
| 3. | Shri Deep Chandra Joshi | Member |

Number of meetings held during the Financial Year:

During Financial Year 2017-18 four Audit Committee meetings were held.

(ii) Committee of Directors for Bonds:

The Board of Directors has constituted a Committee of Directors for raising of funds through issue of Bonds. As on 31st March, 2018 the Committee comprised following Directors:

- | | | |
|------|------------------------|----------|
| i) | Shri Ravi P. Singh, | Chairman |
| ii) | Shri S. Vaithilingam*, | Member |
| iii) | Shri D. K. Valecha* | Member |

*Shri S. Vaithilingam and Shri D.K. Valecha were members upto 30.04.2018.

The Committee was reconstituted during FY 2017-18 due to resignation of Shri R.P. Sasmal, Director of the Company. The Committee was further reconstituted on 10th May, 2018 with following Directors:

- | | | |
|------|---------------------|----------|
| i) | Shri Ravi P. Singh, | Chairman |
| ii) | Ms. Susheela Devi, | Member |
| iii) | Shri V. Sekhar | Member |

Number of meetings held during the Financial Year: Nil

(iii) Corporate Social Responsibility Committee:

In compliance with Section 135 of the Companies Act, 2013 read with relevant rules of the Companies (Corporate Social Responsibility Policy) Rules, 2014, a "Corporate Social Responsibility Committee" has been constituted. As on 31st March, 2018 the Committee comprised the following Directors:

- | | | |
|-------|------------------------|----------|
| (i) | Shri Ravi P. Singh, | Chairman |
| (ii) | Shri S. Vaithilingam*, | Member |
| (iii) | Ms. Susheela Devi | Member |

*Shri S. Vaithilingam was the member upto 30.04.2018.

The Committee was reconstituted during Financial Year 2017-18 due to resignation of Shri R.P. Sasmal Director of the Company. The Committee was further reconstituted on 10th May, 2018 with following Directors:

i)	Shri Ravi P. Singh,	Chairman
ii)	Ms. Susheela Devi,	Member
iii)	Shri D. C. Joshi	Member

Number of meeting held during the Financial Year:

During the FY 2017-18 one meeting of the Committee was held.

(iv) Nomination & Remuneration Committee:

The Company has constituted a Nomination & Remuneration Committee of the Board of Directors pursuant to provisions of Section 178 of the Companies Act, 2013. As on 31st March, 2018 the Nomination & Remuneration Committee comprised the following Directors:

i)	Shri Ravi P. Singh,	Chairman
ii)	Shri S. Vaithilingam*,	Member
iii)	Ms. Susheela Devi	Member

*Shri S. Vaithilingam was the member of the Committee upto 30.04.2018.

The Committee was reconstituted during Financial Year 2017-18 due to resignation of Shri R.P. Sasmal, Director of the Company. The Committee was further reconstituted on 10th May, 2018 with following Directors:

i)	Shri Ravi P. Singh,	Chairman
ii)	Shri D. C. Joshi,	Member
iii)	Ms. Susheela Devi	Member

Number of meeting held during FY 2017-18: Nil

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII are exempt for Government Companies. As your Company is a Government Company, the information has not been included as a part of this Report.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 5th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, your Company, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors in its Board.

Performance Evaluation of Directors

All the Directors of your Company are Non Executive Directors. The Directors appointed in your Company are whole-time employees of POWERGRID and do not draw any remuneration from your Company.

Your Company enters into Memorandum of Understanding (MOU) with POWERGRID every year wherein the Company is evaluated on various financial and non- financial parameters.

Development & Implementation of Risk Management Policy

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

Prevention of Sexual Harassment at Workplace

There is no incidence of Sexual Harassment during the year under review.

Director's Responsibility Statement

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

- i) in the preparation of the Annual Accounts for the Financial Year 2017-18, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2018 and of the profit of the company for the year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts for the Financial Year 2017-18 on a going concern basis;
- v) that 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;
- vi) 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.

Acknowledgement

Your Board of Directors like to express their deep sense of appreciation for the guidance and co-operation received from POWERGRID, Comptroller and Auditor General of India, Auditors of the Company without whose support, the achievements of the Corporation during the year under review would not have been possible.

For and on behalf of the Board of Directors

POWERGRID Vizag Transmission Limited

Date: 7th September, 2018
Place: Gurgaon

Sd/-
(Ravi. P. Singh)
Chairman
DIN:05240974

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	POWERGRID CORPORATION OF INDIA LIMITED- HOLDING COMPANY
b	Nature of contracts/arrangements/transaction	Interest payment on Bonds & Inter Corporate Loan.
c	Duration of the contracts/arrangements/transaction	Till FY 2017-2018
d	Salient terms of the contracts or arrangements or transaction including the value, if any	As mutually agreed
e	Date of approval by the Board	02.06.2017
f	Amount paid as advances, if any	-

For and on behalf of the Board of Directors
POWERGRID Vizag Transmission Limited

Date: 07.09.2018

Place: Gurgaon

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

POWERGRID VIZAG TRANSMISSION LIMITED

Annexure II to Directors' Report

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL2011GOI228136
ii.	RegistrationDate	30 th November 2011
iii.	NameoftheCompany	POWERGRID VIZAG TRANSMISSION LIMITED (formerly Vizag Transmission Limited)
iv.	Category/ Sub-CategoryoftheCompany	Company Limited by shares / Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560112; Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Nameand Description of mainproducts/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	Not Applicable

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	POWER GRID CORPORATION OF INDIA LIMITED**	L40101DL1989GOI038121	HOLDING COMPANY	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6	-	-	6*	6	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp\$	0	209729994	209729994	100	0	209729994	209729994	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	0	209729994	209729994	100	0	209729994	209729994	100	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian	-	-	-	-	-	-	-	-	-

(ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	209730000	209730000	100	0	209730000	209730000	100	100

* Held by POWERGRID's nominee (Individuals) jointly with POWERGRID.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	209729994	100	-	209729994	100	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	-	-	01	-	-	-

3.	Shri Ravi. P. Singh jointly with POWERGRID	01	-	-	01	-	-	-
4.	Shri K. S. R. Murty jointly with POWERGRID	01	-	-	01	-	-	-
5.	Ms. Seema Gupta jointly with POWERGRID	01	-	-	01	-	-	-
6.	Shri Upendra Pande jointly with POWERGRID	01	-	-	01	-	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID*	01	-	-	01	-	-	-
	Total	209730000	100	-	209730000	100	-	-

- 1 (One) share held in the name of Shri S. Vaithilingam jointly with POWERGRID has been transferred in the name of Shri D. C. Joshi jointly with POWERGRID on 10th May, 2018.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	209730000	100	209730000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change			
	At the End of the year	209730000	100	209730000	100

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1. Shri Ravi P. Singh, jointly with POWERGRID					
	At the beginning of the year	01	-	01	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	01	-	01	-
2. Shri S. Vaithilingam, jointly with POWERGRID					
	At the beginning of the year	01	-	01	-

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
At the End of the year	01	-	01	-

- 1 (One) share held in the name of Shri S. Vaithilingam jointly with POWERGRID has been transferred in the name of Shri D. C. Joshi jointly with POWERGRID on 10th May, 2018.

V.INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment in Rupees

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2900000000	7203304595		10103304595
ii) Interest due but not paid	0			
iii) Interest accrued but not Due	208736612	237713659		446450271
Total(i+ii+iii)	3108736612	7441018254	0	10549754866
Change in Indebtedness during the financial year				
- Addition	257964758	900318991		1158283749
Principle	0	284991704		284991704
Interest	257964758	615327287		873292045
- Reduction	259514247	1257040946		1516555193
Principle	0	404000000		404000000
Interest	259514247	853040946		1112555193
Net Change	-1549489	-356721955		-358271444
Indebtedness at the end of the financial year				
i) Principal Amount	2900000000	7084296299		9984296299
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	207187123	0		207187123
Total (i + ii+ iii)	3107187123	7084296299	0	10191483422

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	ParticularsofRemunerati on	NameofMD/WTD/ Manager				Total Amount
1.	Grosssalary (a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Valueofperquisitesu/s 17(2)Income-taxAct, 1961 (c)Profits in lieu of salary Under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as%ofprofit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	ParticularsofRemuneration	NameofMD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-

	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

Sl. no.	Particularsof Remuneration	KeyManagerialPersonnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2)Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3)Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as%of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VI. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the	Brief descript	Details of Penalty/	Authority[RD /NCLT/Court]	Appeal made. If
------	----------------	----------------	---------------------	---------------------------	-----------------

	companies Act	ion	Punishment/ Compounding fees imposed		any(give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID Vizag Transmission Limited

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 7th September, 2018
Place: Gurgaon



भारतीय लेखापरीक्षा और 'Annexure III to the Directors' Rep
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

No.:DGCA/A/c/Desk/2017-18/VizagPGTL/1.37/106

Date: 25 June 2018

To
The Chairman,
Powergrid Vizag Transmission Limited,
Hyderabad

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Vizag Transmission Limited for the year ended on 31 March 2018

Sir,

I forward herewith the "Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Vizag Transmission for the year ended on 31 March 2018.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.

3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.

4. Ten copies of the Annual Report for the year 2017-18 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully,



(L. Tochhawng)
Director General

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID VIZAG TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Powergrid Vizag Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Vizag Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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



(L. Tochnawng)

**Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad**

**Place: Hyderabad
Date: 25 June 2018**



Sunita Mathur
Practicing Company Secretary

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,

The Members,

Powergrid Vizag Transmission Limited

B-9, Qutab Institutional Area,

Katwaria Sarai, New Delhi - 110016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Powergrid Vizag Transmission Limited [CIN: U40300DL2011GOI228136]** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

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

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

(a) The Electricity Act, 2003 and Rules and Regulations made there under.



We have also examined compliance with the applicable clauses/Regulations of the following:

- I) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above

We further report that,

The Board of Directors is duly constituted with proper balance of Executive Directors, Non Executive Directors, Woman Director. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

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

Majority decisions are carried through while the dissenting members views are captured and recorded as part of the minutes.

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

Place: New Delhi
Date: August 29, 2018



Sunita Mathur
Company Secretary in Practice
FCS No. 1743
C P No.: 741

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



Sunita Mathur
Practicing Company Secretary

Annexure-A

To,
The Members,
Powergrid Vizag Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai , New Delhi - 110016

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

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



Place: New Delhi
Date: August 29, 2018

Sunita Mathur
Company Secretary in Practice
FCS No. 1743
C P No.: 741

POWERGRID VIZAG TRANSMISSION LIMITED
CIN: U40300DL2011GOI228136
Balance Sheet as at 31st March, 2018

(₹ In Lakhs)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	1,20,120.59	1,27,111.49
Capital work-in-progress	5	-	1,167.46
Other non-current assets	6	2,282.70	619.33
Deferred tax Asset(Net)	7	330.81	734.95
		1,22,734.10	1,29,633.23
Current assets			
Inventories	8	1,089.46	-
Financial Assets			
Trade receivables	9	2,751.96	2,182.50
Cash and cash equivalents	10	135.38	115.81
Other current financial assets	11	2,155.47	270.48
		6,132.27	2,568.79
Total Assets		1,28,866.37	1,32,202.02
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	20,973.00	20,973.00
Other Equity	13	3,343.77	-1,898.57
		24,316.77	19,074.43
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	88,842.96	1,01,033.05
		88,842.96	1,01,033.05
Current liabilities			
Financial Liabilities			
Trade payables	15	6.03	-
Other current financial liability	16	15,647.88	11,558.86
Other current liabilities	17	52.73	535.68
Current Tax Liabilities (Net)	18	-	-
		15,706.64	12,094.54
Total Equity and Liabilities		1,28,866.37	1,32,202.02

The accompanying notes (1 to 41) form an integral part of financial statements

As per our report of even date attached

For Bansal & Dave

ICAI FRN : 007252S

Chartered Accountants

RAJIV DAVE

Partner

Membership No. 052947

Place : Hyderabad

Date : 23-05-2018



For and on behalf of the Board of Directors

Ravi P Singh

Chairman

DIN: 05240974

D Kumaraswamy

CFO

Place: Gurugram

Date: 23-05-2018

V. Susheela Devi

Director

DIN: 07828528

Arup Kumar Samanta

Company Secretary

POWERGRID VIZAG TRANSMISSION LIMITED
CIN: U40300DL2011GOI228136
Statement of Profit and Loss for the Year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Note No.	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations	19	24,229.49	6,758.78
Other Income	20	184.04	38.39
Total Income		24,413.53	6,797.17
EXPENSES			
Finance costs	21	8,735.54	5,077.02
Depreciation and amortization expense	22	6,921.78	3,874.09
Other expenses	23	640.67	900.34
Total expenses		16,297.99	9,851.45
Profit/(loss) before tax		8,115.54	(3,054.28)
Tax expense:			
(1) Current tax - Current Year	1,731.99		-
- Earlier years	1.12		-
(2) MAT Credit - Current Year	(1,731.99)		-
- Earlier years	(56.32)		-
(3) Deferred tax	404.14	348.94	(880.08)
Profit (Loss) After Tax		7,766.60	(2,194.20)
Other Comprehensive Income		0.00	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		7,766.60	(2,194.20)
Earnings per equity share (Par Value ₹ 10 each)			
Basic (in ₹)		3.70	(1.63)
Diluted (in ₹)		3.70	(1.63)

The accompanying notes (1 to 41) form an integral part of financial statements

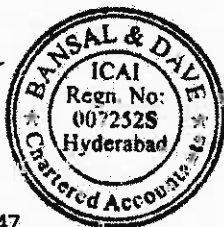
As per our report of even date attached

For Bansal & Dave

ICAI FRN : 007252S

Chartered Accountants


RAJIV DAVE
 Partner
 Membership No. 052947



Place : Hyderabad

Date: 23-05-2018

For and on behalf of the Board of Directors


Ravi P Singh
 Chairman
 DIN: 05240974


D Kumaraswamy
 CFO


V Susheela Devi
 Director
 DIN: 07828528


Arup Kumar Samanta
 Company Secretary

Place: Gurugram

Date: 23-05-2018

POWERGRID VIZAG TRANSMISSION LIMITED
CIN: U40300DL2011GOI228136
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2018

(₹ in Lakhs)		
Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
A. Cash Flow from Operating Activities:		
Net profit/Loss as per Statement of Profit & Loss	7,766.60	(2,194.20)
Add: Deferred Tax	404.14	(860.08)
Operating Profit/Loss before Working Capital Changes	8,170.74	(3,054.28)
Adjustments for Increase/Decrease in:		
- Depreciation & Amortization Expenses	6,921.78	3,874.09
- Finance Cost	8,735.54	5,077.02
Adjustment for Changes in Assets & Liabilities:		
- Trade Payables	(6.03)	-
- Other Current Liabilities	(7,381.87)	(12,248.95)
- Short Term Provisions	-	-
- Other current Assets	(3,543.92)	(1,783.31)
Cash Generated from Operation	12,896.24	(8,135.44)
Direct Tax Expenses	-1,663.37	-591.10
Net Cash from operating Activities (A)	11,232.87	-8,726.54
B. Cash Flow from Investing Activities:		
Property Plant & Equipment and Capital Work In Progress	1,236.58	(21,844.01)
Advances for Capital Expenditure	-	1,350.05
Net Cash generated from Investing Activity (B)	1,236.58	(20,493.96)
C. Cash Flow from Financing Activities:		
- Share Capital	-	15,500.00
- Loans raised during the year	2,850.00	18,797.00
- Loans repaid during the year	(4,041.33)	-
- Interest & Finance Cost Paid	(8,734.29)	-5,077.02
- Dividend paid	(2,097.30)	-
- Dividend Tax paid	(426.96)	-
Net Cash generated from Financing Activity (C)	(12,449.88)	29,219.98
D. Net change in Cash and Cash Equivalents (A+B+C)	19.57	(0.52)
E. Cash and Cash Equivalents (Opening Balance)	115.81	116.33
E. Cash and Cash Equivalents (Closing Balance) (As per Note 10)	135.38	115.81

The accompanying notes (1 to 41) form an integral part of financial statements.

Notes: (i) Previous year figures have been re-grouped/re-arranged wherever necessary.

(ii) Cash & Cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity upto three months.

As per our report of even date attached

For Bansal & Dave

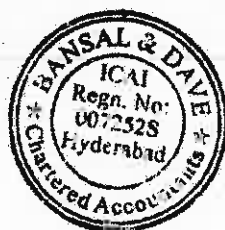
ICAI FRN : 007252S

Chartered Accountants

RAJIV DAVE

Partner

Membership No. 052947



For and on behalf of the Board of Directors

RA
Ravi P Singh
Chairman
DIN: 05240974
[Signature]
D Kumaraswamy
CFO

[Signature]
V Susheela Devi
Director
DIN: 07828528
[Signature]
Arup Kumar Samanta
Company secretary

Place : Hyderabad

Date : 23-05-2018

Place: Gurugram

Date: 23-05-2018

POWERGRID VIZAG TRANSMISSION LIMITED
Statement of Changes in Equity for the Year ended 31st March 2018

A. Equity Share Capital

(₹ in Lakhs)

As at 1st April, 2016	5,473.00
Changes in equity share capital	15,500.00
As at 31st March, 2017	20,973.00
Changes in equity share capital	-
As at 31st March, 2018	20,973.00

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2016	74.26	15.09	206.28	295.63
Total Comprehensive Income for the year			(2,194.20)	(2,194.20)
Balance at 31st March, 2017	74.26	15.09	(1,987.92)	(1,898.57)

Statement of Changes in Equity for the Year ended 31st March 2018 (Contd.)

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2017	74.26	15.09	(1,987.92)	(1,898.57)
Restated balance at the beginning of the reporting period	74.26	15.09	(1,987.92)	(1,898.57)
Total Comprehensive Income for the year			7,766.60	7,766.60
Transfer to Bond Redemption Reserve	2,825.74		(2,825.74)	-
Transfer to Self Insurance Reserve		157.34	(157.34)	
Dividends- Interim FY2017-18			(2,097.30)	(2,097.30)
Tax on Dividend-Interim FY2017-18			(426.96)	(426.96)
Balance at 31st March, 2018	2,900.00	172.43	271.33	3,343.77

The accompanying notes (1 to 41) form an integral part of financial statements

Refer Note 13 for movement and nature of Reserve and Surplus

For and on behalf of the Board of Directors

As per our report of even date attached

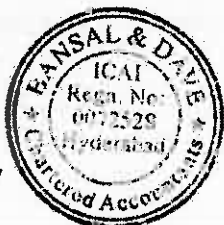
ICAI FRN : 007252S

Chartered Accountants

RANIV DAVE

Partner

Membership No. 052947



Ravi P Singh
Chairman
DIN: 05240974

D Kumaraswamy
CFO

V Susheela Devi
Director
DIN: 07828528

Arup Kumar Samanta
Company secretary

Place : Hyderabad

Date : 23-05-2018

Place: Gurugram

Date: 23-05-2018

Note 4/Property, Plant and Equipment

Note 4/Property, Plant and Equipment

POWERGRID VIZAG TRANSMISSION LIMITED

Note 5/Capital work in progress

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2018	As at 31st March, 2017
Plant & Equipments (including associated civil works)	-	-	69.17	-69.17	-	-
Construction Stores (Net of Provision)	1,167.46	-	1,167.46	-	-	1,167.46
Total	1,167.46	-	1,236.63	-69.17	-	1,167.46

Note 5/Capital work in progress

Particulars	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2017	As at 31st March, 2016
Land	1.56	-	-	1.56	-	1.56
Development of land	-	-	-	-	-	-
Plant & Equipments (including associated civil works)	73,104.38	32,534.38	-	1,05,638.77	-	73,104.38
Transmission	15,668.11	-	14,500.65	-	1,167.46	15,668.11
Construction Stores (Net of Provision)	-	-	-	-	-	-
Expenditure pending allocation	6,564.75	3,807.17	-	10,371.92	-	6,564.75
Expenditure during construction period(net) (Note 24)	-	-	-	-	-	-
Total	95,338.81	36,341.55	14,500.65	1,16,012.25	1,167.46	95,338.81

POWERGRID VIZAG TRANSMISSION LIMITED

Note 5/Capital work in progress (Details of Construction stores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Construction Stores	-	1,167.46
Towers	-	1,167.46
TOTAL	-	1,167.46
Material with Contractors	-	1,167.46
Towers	-	1,167.46
Total	-	1,167.46
Grand total	-	1,167.46

Am

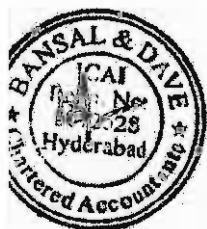


POWERGRID VIZAG TRANSMISSION LIMITED**Note 6/Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
MAT Credit	1,788.31	-
Advance tax and Tax deducted at source		727.45
(i) Advance Tax	2,220.00	
(ii) Tax Deducted at Source	6.38	
	2,226.38	
Less: Tax Liabilities - (From Note 18)	1,731.99	108.12
	494.39	619.33
TOTAL	2,282.70	619.33



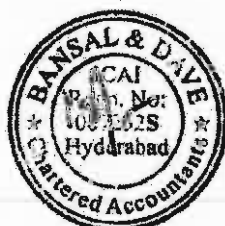
POWERGRID VIZAG TRANSMISSION LIMITED**Note 7/ Deferred tax Asset (Net)**

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<u>Deferred Tax Assets (A)</u>		
On Net Loss carry forward	6,033.65	6,773.61
<u>Deferred Tax Liability (B)</u>		
Depreciation difference in Property Plant and Equipment(Net)	5,702.84	6,038.66
Net Deferred Tax Asset/(Liability) (A-B)	330.81	734.95
<u>Movement in Deferred Tax Liability</u>		

Particulars	Depreciation Difference in Property Plant and Equipment
AS at 1st April 2016	125.14
Charged/ (Credited) to Profit or Loss	5,913.52
AS at 31st March 2017	6,038.66
Charged/ (Credited) to Profit or Loss	(335.82)
AS at 31st March 2018	5,702.84
<u>Movement in Deferred Tax asset</u>	

Particulars	Depreciation Difference in Property Plant and Equipment
AS at 1st April 2016	
Charged/ (Credited) to Profit or Loss	6,773.61
AS at 31st March 2017	6,773.61
Charged/ (Credited) to Profit or Loss	(739.95)
AS at 31st March 2018	6,033.65



POWERGRID VIZAG TRANSMISSION LIMITED

Note 8/Inventories

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
(For mode of valuation refer Note 2.9)		
Components,Spares & other spare parts	1,086.34	-
Loose tools	3.12	-
TOTAL	1,089.46	-



POWERGRID VIZAG TRANSMISSION LIMITED

Note 9/Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Trade receivables		
Unsecured Considered good*	2,751.96	2,182.50
TOTAL	2,751.96	2,182.50

[Handwritten signature]

* includes receivables from various DICs through CTU

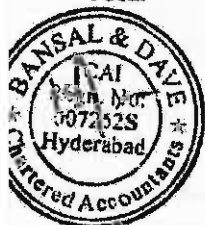


POWERGRID VIZAG TRANSMISSION LIMITED

Note 10/Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
Balance with banks-		
-In Current accounts	135.38	115.81
Total	135.38	115.81



POWERGRID VIZAG TRANSMISSION LIMITED

Note-11/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unbilled Revenue *	2,155.35	270.48
Others	0.12	-
Total	2,155.47	270.48

Further notes:

* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹ 1915.13 lakhs (31st March, 2017 ₹ 270.48 lakhs) billed to beneficiaries in the month of April of subsequent financial year and transmission charges (inclusive of incentive) of Rs. 240.22 lakhs to be billed in FY 2018-19 (previous year nil)



POWERGRID VIZAG TRANSMISSION LIMITED

Note 12/Equity Share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
22,00,00,000 equity shares of ₹ 10/- each at par	22,000.00	22,000.00
Issued, subscribed and paid up		
20,97,30,000 equity shares of ₹ 10/-each at par fully paid up	20,973.00	20,973.00
Total	20,973.00	20,973.00

Further Notes:

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares outstanding at the beginning of the year	20,97,30,000	20,973.00	5,47,30,000	5,473.00
Shares Issued during the year	-	-	15,50,00,000	15,500.00
Shares outstanding at the end of the year	20,97,30,000	20,973.00	20,97,30,000	20,973.00

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

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited (Holding Company)	20,97,30,000	100.00	20,97,30,000	100.00

Out of 209730000 Equity Shares (Previous Year 209730000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.

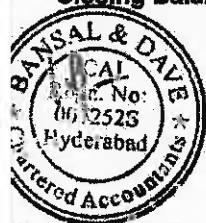


[Handwritten signature]

POWERGRID VIZAG TRANSMISSION LIMITED**Note 13/Other Equity**

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
Bonds Redemption Reserve	2,900.00	74.26
Self Insurance Reserve	172.43	15.09
Retained Earnings	271.33	-1,987.92
Total	3,343.77	-1,898.57
Bonds Redemption Reserve		
As per last balance sheet	74.26	74.26
Addition during the year	2,825.74	
Deduction during the year		
Balance at the end of the year	2,900.00	74.26
Bond Redemption reserve is created for the purpose of redemption of debentures in terms of the Companies Act 2013		
Self Insurance Reserve		
As per last balance sheet	15.09	15.09
Addition during the year	157.34	
Deduction during the year		
Balance at the end of the year	172.43	15.09
Self insurance reserve is created @ 0.12% p.a (@ 0.12% p.a previous year) on the Gross block of Property Plant and Equipment not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and to take care of contingency in future by procurement of towers and other transmission line materials including strengthening of towers.		
Retained Earnings		
As per last balance sheet	(1,987.92)	206.28
Add: Additions		
Profit after tax as per Statement of Profit & Loss	7,766.60	(2,194.20)
Less: Appropriations		
Bonds Redemption Reserve	2,825.74	
Self Insurance Reserve	157.34	
Interim dividend paid For FY 2017-18	2,097.30	
Tax on Interim dividend For FY 2017-18	426.96	
Closing Balance	271.33	(1,987.92)



POWERGRID VIZAG TRANSMISSION LIMITED

Note 14/ Borrowings

(₹ in Lakhs)		
	As at 31st March, 2018	As at 31st March, 2017
Domestic		
Secured		
2900 Nos 8.90% Bonds @ Rs. 10 Lakh each Redeemable at Par on 10th June 2020	29,000.00	29,000.00
Unsecured		
Loan from Power Grid Corporation of India Ltd., (Holding Company)	59,842.96	72,033.05
TOTAL	88,842.96	1,01,033.05

Further notes:

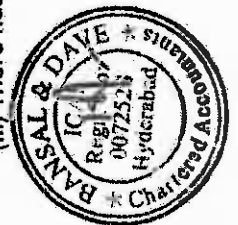
(i) (a) Bonds numbering 2900 with a face value of ₹ 10.00 Lakhs each aggregating to ₹ 290.00 Crores and said bonds are Secured, guaranteed, rated, unlisted, redeemable, taxable, non-cumulative, non-convertible bonds by way of private placement and said bonds carry an Interest Rate of 8.90% per annum and payable annually. Bonds are Redeemable at Par on 10th June 2020.

(b) The Bonds issued by the company are secured by an unconditional, irrecoverable and continuing guarantee from M/s Powergrid Corporation of India Ltd covering the entire amount payable on the Bonds.

(c) The Bonds issued by the company are secured by way of Registered Bond Trust Deed ranking Pari passu on immovable and movable property pertaining to Khammam-Nagarjunasagar 400 KV D/C Line and Srikakulam-Vemagiri 765 KV D/C Transmission Lines and floating charge on the assets of the Company.

(ii) The Inter Corporate Loan is provided by the Holding Company on cost to cost [Interest rate varying from 7.20% to 9.30%] and converted into single rate of interest at 8.2913% w.e.f. 01.01.2018, repayable based on availability of funds.

(iii) There has been no default in repayment of loan or payment of interest thereon as at the end of the financial year.



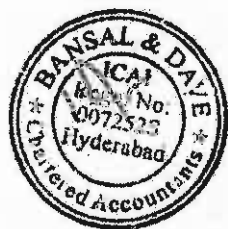
Handwritten signature/initials

POWERGRID VIZAG TRANSMISSION LIMITED

Note 15/Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
For goods and services		
Payable to MSME		
Others	6.03	-
Total	6.03	-



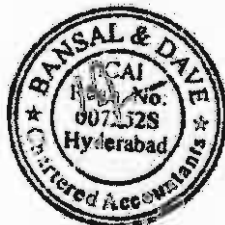
[Handwritten signature]

POWERGRID VIZAG TRANSMISSION LIMITED**Note 16/Other Current Financial Liability**

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of Long term Borrowings		
Un-secured		
Loan from Power Grid Corporation of India Ltd., (Holding Company)	11,000.00	-
	11,000.00	-
Interest accrued but not due on borrowings from		
Loan from Power Grid Corporation of India Ltd., (Holding Company)	-	2,377.14
Redeemable Bonds	2,071.87	2,087.37
	2,071.87	4,464.50
Others		
Dues for capital expenditure		
Related Party - Power Grid Corporation of India Ltd., (Holding Company)	15.86	
Others	158.02	1,940.74
Deposits/Retention money from contractors and others.	2,402.06	5,152.88
Others	0.07	0.74
	2,576.00	7,094.35
Total	15,647.88	11,558.86

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 30 (e).



POWERGRID VIZAG TRANSMISSION LIMITED

Note 17/Other current liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory dues	52.73	535.68
Total	52.73	535.68



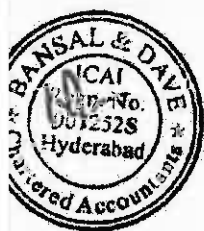
[Handwritten signature]

POWERGRID VIZAG TRANSMISSION LIMITED

Note 18/ Current Tax Liabilities (Net)

(₹ in Lakhs)

Description	As at 31st March, 2018	As at 31st March, 2017
Taxation (Including interest on tax)		
As per last balance sheet	108.12	108.12
Additions during the year	1,731.99	-
Additions for Previous years	1.12	-
Less: Amount adjusted during the year	109.24	-
Total	1,731.99	108.12
Net off against Advance Tax & TDS- Note 6	1,731.99	108.12
Total	-	-



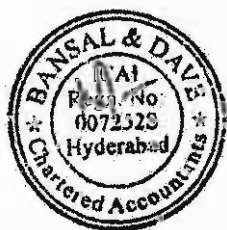
AM

POWERGRID VIZAG TRANSMISSION LIMITED

Note 19/Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Sales of services		
Transmission Charges	24,229.49	6,758.78
Total	24,229.49	6,758.78



POWERGRID VIZAG TRANSMISSION LIMITED**Note 20/Other income**

(₹ in Lakhs)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Interest income from financial assets at amortised cost		
Interest from advances to contractors	-	60.75
Others	-	1.74
		62.49
Others		
Surcharge	99.58	
Miscellaneous income	84.46	7.33
	184.04	69.83
Less:Income transferred to expenditure during construction(Net)-Note 24	-	31.44
TOTAL	184.04	38.39

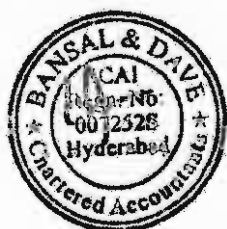


POWERGRID VIZAG TRANSMISSION LIMITED

Note 21 /Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest and finance charges on financial liabilities at amortised cost		
Loan from M/s Power Grid Corporation of India Ltd., (Holding Company)	6,153.27	5,681.56
Interest-Others		
Redeemable Bonds	2,579.65	2,581.00
Other Finance charges		
Others	2.62	1.95
Total	8,735.54	8,264.51
Less: Transferred to Expenditure during Construction(Net)-Note 24	-	3,187.49
TOTAL	8,735.54	5,077.02



[Handwritten signature]

POWERGRID VIZAG TRANSMISSION LIMITED

Note 22/Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation of Property, Plant and Equipment	6,921.78	3,874.09
Less: Transferred to Expenditure During Construction(Net)-Note 24		
TOTAL	6,921.78	3,874.09

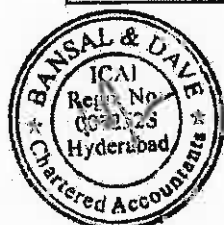


Am

POWERGRID VIZAG TRANSMISSION LIMITED**Note 23 /Other expenses**

(₹ in Lakhs)

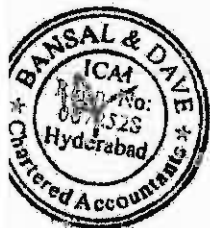
Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Repair & Maintenance		
Transmission lines	443.25	120.68
Others	-	0.01
	<u>443.25</u>	<u>120.69</u>
System and Market Operation Charges	5.93	4.41
Power charges	-	0.01
Expenses of Diesel Generating sets	0.08	0.34
Water charges	-	0.11
Training & Recruitment Expenses	0.29	0.41
Legal expenses	0.61	-
Professional charges(Including TA/DA)	1.39	5.64
Consultancy expenses(Including TA/DA)	135.59	1,115.90
Communication expenses	0.03	0.15
Travelling & Conv exp.(excluding foreign travel)	3.97	37.90
Payments to Statutory Auditors		
Audit Fees	0.84	0.58
Tax Audit Fees	0.40	0.29
In Other Capacity	-	0.58
Out of pocket Expenses	<u>0.19</u>	<u>-</u>
	1.43	1.44
Printing and stationery	0.07	1.12
EDP hire and other charges	0.13	0.35
Brokerage & Commission	2.48	
Cost Audit and Physical verification Fees	0.30	
Rent	-	0.17
CERC petition & Other charges	29.57	5.00
Miscellaneous expenses	2.89	54.62
Hiring of Vehicle	11.08	71.04
Rates and taxes	0.00	124.80
Bandwidth charges dark fibre lease charges (Telecom)	-	0.07
Corporate Social Responsibility (CSR) & Sustainable development	-	3.53
Bank charges	<u>1.57</u>	<u>3.76</u>
	640.67	1,551.45
Less: Transferred to Expenditure during Construction(Net)-Note 24	-	651.11
Total	640.67	800.34



POWERGRID VIZAG TRANSMISSION LIMITED**Note 24/ Expenditure during Construction (Net)**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.Other Expenses		
Repair and maintenance	-	0.36
Power charges	-	0.01
Expenses on Diesel Generating sets	-	0.34
Training & Recruitment Expenses	-	0.41
Professional charges	-	1.97
Consultancy expenses	-	430.48
Communication expenses	-	0.08
Travelling & Conv.exp. (Including Foreign Travel)	-	31.56
Printing and stationery	-	0.20
EDP hire and other charges	-	0.35
Rent	-	0.17
Miscellaneous expenses	-	69.32
Hiring of Vehicles	-	70.67
Rates and taxes	-	45.13
Bandwidth charges, dark fibre lease charges(Telecom)	-	0.07
Total (A)	-	651.11
B.Depreciation/Amortisation	-	-
C.Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost		
Secured/Unsecured Redeemable Bonds, Financial Institution and Corporation	-	3,187.40
b) Other finance charges		
Others	-	0.09
Total (C)	-	3,187.49
D. Less: Other Income		
Interest from		
Contractors	-	23.44
Others	-	0.67
	-	24.11
Miscellaneous income	-	7.33
Total (D)	-	31.44
GRAND TOTAL (A+B+C-D)	-	3,807.17



Notes to Financial Statements

1. Corporate & General Information

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

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

The Financial Statements of the Company for the year ended 31st March 2018 were approved for issue by the Board of Directors on 23.05.2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and presentation currency

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



A handwritten signature in black ink, appearing to be "AMJ".

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/retired from active use are derecognized.

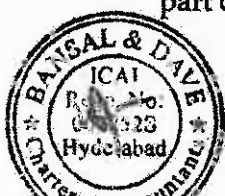
If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.



A handwritten signature in black ink, appearing to be 'AM'.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

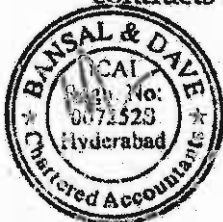
2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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



[Handwritten signature]

2.3 Intangible Assets and Intangible Assets under development

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

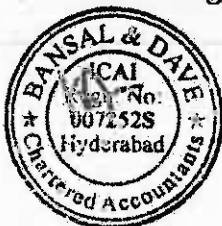
Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.



Handwritten signature/initials.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

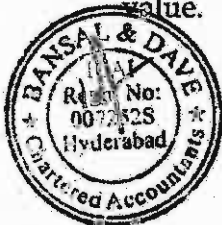
Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.



Handwritten signature/initials.

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue.

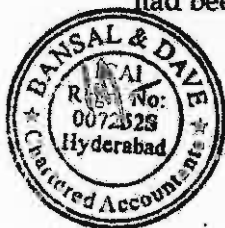
2.7 Impairment of non-financial assets, other than inventories

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

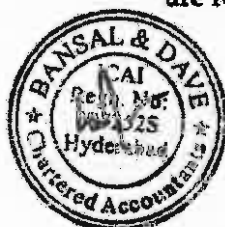
A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

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

b) Operating leases

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



For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

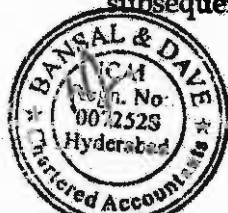
All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss



Am

when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

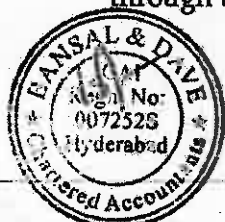
The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.



The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

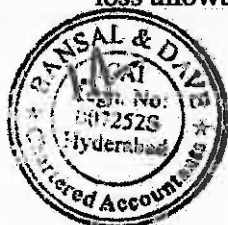
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.



A handwritten signature in black ink, appearing to be "JMY".

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

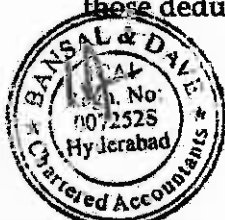
Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, unused tax losses and unused tax



credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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

2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

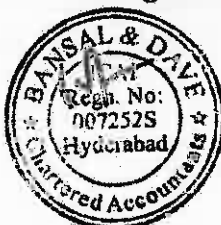
2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).



A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke at the end.

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

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



A handwritten signature in black ink, appearing to be "M. S. S.", located to the right of the circular stamp.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.20 Statement of Cash Flows

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

3. Critical Estimates and Judgments

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

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

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

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



A handwritten signature in black ink, appearing to be 'J. M. J.' or similar, located to the right of the stamp.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



A handwritten signature in black ink, appearing to be 'Amy'.

25. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

26. Party Balances and Confirmations

Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

27. POWERGRID (Holding Company) in the capacity of CTU is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licencees. Accordingly CTU is raising bills for transmission charges to DICs on behalf of IST licencees. The debtors are accounted based on the list of DICs given by CTU.

28. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise -

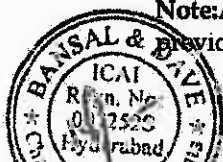
Particulars		Amount in Foreign Currency		Amount (₹ in Lakhs)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.	USD/ EURO/ SEK	NIL	NIL	NIL	NIL
Trade Payables/deposits and retention money	USD	NIL	NIL	NIL	NIL
Trade receivables and Bank balances	USD/N PR	NIL	NIL	NIL	NIL
Unexecuted amount of contracts remaining to be executed	USD	NIL	NIL	NIL	NIL

29. Auditors Remuneration

(₹ in Lakhs)

S. No.	Particulars	FY 2017-18	FY 2016-17
1	Statutory Audit Fees	0.50	0.50
2	Tax Audit	0.30	0.25
3	Other Matters	0.23	0.50
4	GST/Service Tax	0.21	0.19
	Total	1.24	1.44

Note: Auditors' remuneration includes ₹0.06 Lakhs relating to previous year and paid to previous Auditors.



30. Other Disclosures

a. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement Dt. 12-Sep-2013 & amendment thereon Dt. 08-Dec-2014. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

b. Taxation

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of ₹ 1731.99 Lakhs (Previous Year NIL) for the year towards current Tax (Minimum Alternate Tax). In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Liability/ (Asset) amounting to ₹ 404.14 Lakhs (Previous Year ₹ (860.08) Lakhs) on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws and unused tax losses.

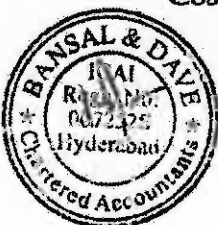
c. Leases

Finance Lease: The Company has no finance leases.

Operating Lease: The Company has no major operating leases except in respect of premises for office which is renewable in nature based on mutually agreed terms.

d. Borrowing cost

Borrowing cost capitalised during the year is NIL (Previous year ₹ 3187.49 Lakhs) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.



e. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

f. Corporate Social Responsibilities (CSR) :

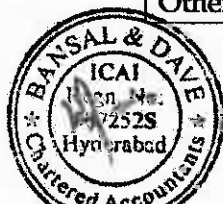
As per section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year, the company is required to spend, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Since, PVTL has not satisfied any of the above criteria, expenditure on account of CSR does not apply to the company.

31. The In accordance with the provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debenture) Rules 2014, the company is required to create Bond Redemption Reserve upto 25% of the value of the Bonds. Accordingly, the company has, during the year, created Bond Redemption Reserve amounting to ₹ 2825.74 Lakhs (Previous Year : Nil).The aggregate Bond Redemption Reserve as on 31st Mar 2018 is ₹2900 Lakhs which is 10% of the face value of the Bonds issued by the company.

32. Fair Value Measurements

(₹ in Lakhs)

	31 st March, 2018		31 st March, 2017	
Financial Instruments by category	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Trade Receivables	-	2,751.96	-	2,182.50
Loans	-	-	-	-
Cash & cash Equivalents	-	135.38	-	115.81
Other Current Financial Assets	-	2,155.47	-	270.48
Total Financial assets		5,042.81		2,568.79
Financial Liabilities				
Trade Payables	-	6.03	-	-
Borrowings	-	1,01,914.83	-	1,05,497.55
Other Current Financial Liabilities	-	2,576.00	-	7,094.35



Total financial liabilities		1,04,496.86		1,12,591.90
-----------------------------	--	-------------	--	-------------

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

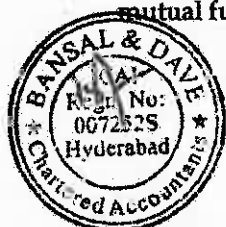
(₹ in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018 Financial Assets		-	-	-	-
Total Financial Assets					
Financial Liabilities Borrowings	-	-	71,502.46	-	71,502.46
Total financial liabilities	-	-	71,502.46	-	71,502.46

(₹ in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2017 Financial Assets					
Total Financial Assets					
Financial Liabilities Borrowings			75,912.81	-	75,912.81
Total financial liabilities			75,912.81	-	75,912.81

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.



Handwritten signature

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost

(₹ in Lakhs)

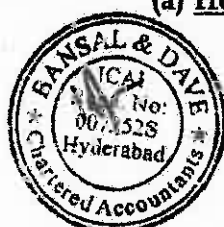
	31 March 2018		31 March 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Total Financial Assets				
Financial Liabilities				
Borrowings	1,01,914.83	71,502.46	1,05,497.55	75,912.81
Total financial liabilities	1,01,914.83	71,502.46	1,05,497.55	75,912.81

The carrying amounts of trade receivables, cash and cash equivalents, other current financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

33. Related party Transactions

(a) Holding Company



Handwritten signature

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-Mar-2018	31- Mar- 2017
Power Grid Corporation of India Limited	India- Holding Company	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powergrid NM Transmission Limited	India	NA	NA
Powergrid Unchahar Transmission Limited	India	NA	NA
Powergrid Kala Amb Transmission Limited	India	NA	NA
Powergrid Jabalpur Transmission Limited	India	NA	NA
Powergrid Warora Transmission Limited	India	NA	NA
Powergrid Parli Transmission Limited	India	NA	NA
Powergrid Southern Interconnector Transmission Limited	India	NA	NA
Powergrid Vemagiri Transmission Limited	India	NA	NA
Grid Conductors Limited *	India	NA	NA
Powergrid Medinipur Jeerat Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited)	India	NA	NA
Powergrid Mithilanchal Transmission Limited** (erstwhile ERSS XXI Transmission Limited)	India	NA	NA
WR-NR Transmission Limited***	India	NA	NA

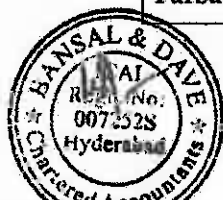
*Pursuant to the application dated 13th June 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary.

**100% equity in Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Ltd.) acquired from REC Transmission Projects Company Limited on 12th January, 2018

*** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee Powergrid Limited	India	NA	NA
ParbatiKoldam Transmission Company	India	NA	NA



[Handwritten signature]

Limited			
Teestavalley Power Transmission Limited	India	NA	NA
North East Transmission Company Limited	India	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA
Bihar Grid Company Limited	India	NA	NA
Kalinga Bidyut Prasaran Nigam Private Limited ****	India	NA	NA
Cross Border Power Transmission Company Limited	India	NA	NA
RINL Powergrid TLT Private Limited	India	NA	NA
Power Transmission Company Nepal Ltd	Nepal	NA	NA

**** POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC).

(d) Key Management Personnel

Name	Designation	Date of Appointment	Date of Separation
Sh. Ravi P. Singh	Chairman	30.08.2013	Continuing
Sh. R.P.Sasmal	Chairman	30.08.2013	28.02.2018
Sh. V. Sekhar	Director	30.08.2013	Continuing
Sh. D. K. Valecha(*)	Director	04.03.2015	Continuing
Sh. S. Vaithilingam(*)	Director	04.03.2015	Continuing
Ms. V Susheela Devi	Director	02.06.2017	Continuing
Sh. S Ravi	CEO	18.05.2015	Continuing
Sh. D Kumaraswamy	CFO	11.05.2016	Continuing
Sh. Arup Kumar Samanta	Company secretary	18.05.2015	Continuing

* ceased to be director w.e.f. 30.04.2018

(e) Transactions with related parties

The following transactions occurred with related parties:

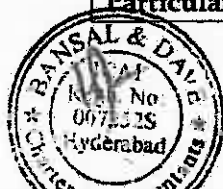
(₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
Services received by the Company		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.		
Consultancy Charges (Excluding Taxes)	492.61	2774.08
Total	492.61	2774.08
Infusion of equity		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	-	15500.00
Total	-	15500.00

(f) Outstanding balances arising from sales/purchases of goods and servicesThe following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in Lakhs)

Particulars	31 March,	31 March,
-------------	-----------	-----------



[Handwritten signature]

	2018	2017
Due for Capital Expenditure (purchases of goods and services)		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	15.86	1877.76
Total payables to related parties	15.86	1877.76

(g) Loans to/from related parties

(₹ in Lakhs)

<u>Loans from Holding Company</u>	31 March, 2018	31 March, 2017
Power Grid Corporation of India Ltd.	70842.96	72033.05
Total	70842.96	72033.05

(H) Interest accrued on Loan

(₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
<u>Holding</u>		
Power Grid Corporation of India Ltd.	NIL	2377.14
Total	NIL	2377.14

(I) Interest on Loan

(₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
<u>Holding</u>		
Power Grid Corporation of India Ltd.	6153.27	5681.56
Total	6153.27	5681.56

34. Segment Information

Business Segment

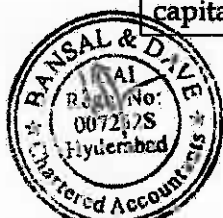
The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services.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

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

35. Capital and other Commitments

(₹ in Lakhs)

Particulars	As at March 31,2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided	NIL	NIL



[Handwritten signature]

for (net of advances)		
-----------------------	--	--

36. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

(i) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to ₹962.81 Lakhs (Previous Year NIL) are being contested before Appellate Authorities. The company is confident on this matter will be disposed of in favour of the company.

(ii) Others

Other contingent liabilities amounts to ₹NIL (Previous Year ₹329.31 Lakhs)

37. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

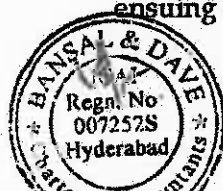
b) Dividends

(₹ in Lakhs)

Particulars	31st March 2018	31st March 2017
Interim dividend for the year ended 31st March, 2018 of ₹ 1.00 (31st March, 2017 – NIL) per fully paid share	2,097.30	-

Dividend not recognized at the end of the reporting period

In addition to above dividend, the Board of Directors on 23rd May, 2018 recommended the payment of a final dividend of ₹ 0.10 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.



Handwritten signature

38. Earnings per share

(Amount in ₹)

a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018	31 March, 2017
From Continuing Operations	3.70	(1.63)
Total basic diluted earnings per share attributable to the equity holders of the company	3.70	(1.63)

(₹ in Lakhs)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	31 March, 2018	31 March, 2017
Earnings attributable to the equity holders of the company	7766.60	(2194.20)
Total Earnings attributable to the equity holders of the company	7766.60	(2194.20)

c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares	31 March, 2017 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,97,30,000	13,46,17,671
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,97,30,000	13,46,17,671

39. Financial Risk Management:

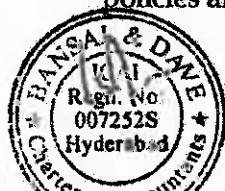
The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

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

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

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

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



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

A) Credit Risk

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

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

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

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of charge on delayed payment beyond 60 days. A granted rebate is provided by the company for payment made within 60 days.

Trade receivables consist of receivables relating to transmission services of ₹2751.96 Lakhs (previous year: ₹2182.50 Lakhs).

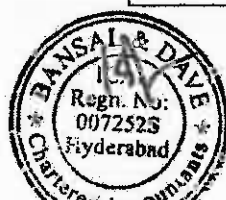
(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹135.38 Lakhs (previous year: ₹115.81 Lakhs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ Exposure to credit risk

Particulars	(₹ in Lakhs)	
	31 st March, 2018	31 st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	135.38	115.81
Other current financial assets	2155.47	270.48
Total	2290.85	386.29



Handwritten signature

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	2751.96	2182.50

o Provision for expected credit losses

(₹ in Lakhs)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 st March, 2018	98.54	1054.41	631.67	169.39	198.27	599.68	2751.96
Gross carrying amount as 31 st March, 2017	-	1816.50	273.00	12.00	-	81.00	2182.50

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

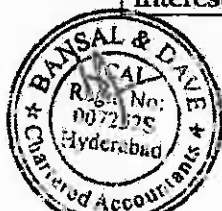
Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in Lakhs)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Borrowings (including interest outflows)	19090.21	99915.48	41660.13	160665.82



Other Current financial liabilities	2576.00	-	-	2576.00
Other Current liabilities	52.73	-	-	52.73
Total	21718.94	99915.48	41660.13	163294.55

31 March 2017				
Borrowings (including interest outflows)	8503.28	78427.88	70768.60	157699.76
Other Current financial liabilities	7094.35	-	-	7094.35
Other Current liabilities	535.68	-	-	535.68
Total	16133.31	78427.88	70768.60	165329.79

C) Market Risk

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

- Currency risk
- Interest rate risk

i) Currency risk

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

ii) Interest rate risk

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

40. Income Tax expense

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The Company's tax positions.

(a) Income tax expense

	(₹ in Lakhs)	
Particulars	31 March, 2018	31 March, 2017
Current Tax		
Current tax on profits for the year	1731.99	-
Earlier year Tax	1.12	-
Adjustments for current tax of prior periods	-	-
Total current tax expense (A)	1733.11	-
Less: MAT Credit		
Current Year	1731.99	-
Earlier Year	56.32	-
Total MAT Credit Availed (B)	1788.31	-
Deferred Tax		
Decrease (increase) in deferred tax assets	739.95	(6773.61)
Increase (Decrease) in deferred tax liabilities	(335.82)	5913.52



[Handwritten signature]

Total deferred tax expense /(benefit) (C)	404.14	(860.08)
Income tax expense (A-B+C)	348.94	(860.08)

(b) Reconciliation of tax expense and the accounting profit multiplied by

India's tax rate:

(₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
Profit before income tax expense	8115.54	(3054.28)
Tax at the Indian tax rate of 21.3416%	1731.99	-
<u>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</u>		
Tax Paid for Earlier Year	1.12	-
Less: MAT Credit - Current Year	(1731.99)	-
Earlier Year	(56.32)	-
Adjustments for current tax of prior periods	-	-
Deferred Tax Liability / (Asset)	404.14	(860.08)
Income Tax expenses	348.94	(860.08)

(c) MAT Credit

As company have option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

41. a) Figures have been rounded off to nearest rupee in lakhs up to two decimal.

b) The previous year figures have been reclassified/ re-grouped to conform to the current year's classification.

As per our report of even date attached

For Bansal & Dave

ICAI FRN : 007252S

Chartered Accountants

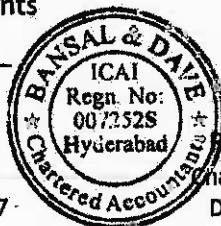
For and on behalf of

POWERGRID Vizag Transmission Limited

RAJIV DAVE

Partner

Membership No. 052947



Ravi P Singh

Chairman

DIN: 05240974

V Susheela Devi

Director

DIN: 07828528

D Kumaraswamy

CFO

Arup Kumar Samanta

Company Secretary

Place: Hyderabad

Date: 23-05-2018

Place: Gurugram

Date: 23-05-2018

BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

To The Members of POWERGRID VIZAG TRANSMISSION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **POWERGRID VIZAG TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and 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 then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

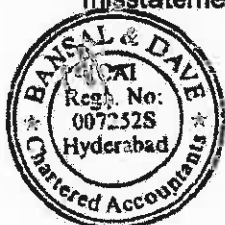
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act, and also the Directions issued under Section 143(5) of the Act by the Comptroller & Auditor General of India.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

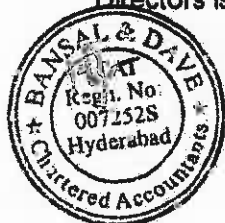
a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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 books of account.

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) In pursuance to the Notification No.G.S.R 463(E) dated 05/06/2015 issued by the Ministry of Corporate Affairs, Section 164(2) of the Companies Act, 2013, pertaining to disqualification of Directors is not applicable to a Government Company.



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"..

g) 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.

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 were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. As required under Section 143(5) of the Companies Act, 2013, we give in Annexure 'C', a statement on the Directions issued by the Comptroller & Auditor General of India.

For BANSAL & DAVE

Chartered Accountants

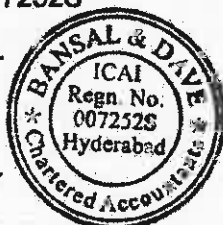
Firm Regn. No 007252S



Rajiv Dave

Partner

Mem. No. 052947



Place : Hyderabad

Date : 23/05/2018

BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of POWERGRID VIZAG TRANSMISSION LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 of **POWERGRID VIZAG TRANSMISSION LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

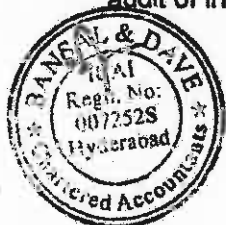
Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BANSAL & DAVE

Chartered Accountants

Firm Regn. No.007252S


Rajiv Dave

Partner

Mem. No. 052947



Place : Hyderabad

Date : 23/05/2018

BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of POWERGRID VIZAG TRANSMISSION LIMITED of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the company have been physically verified by the management at reasonable intervals having regard to the size of the company and nature of its fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The company does not own any immovable properties, and therefore, the reporting under paragraph 3 (i)(c) of the Order is not applicable.

ii. The inventories held by the company have been physically verified by the management during the year. In our opinion, the 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 unsecured loans to Companies/ Firms/ Parties covered in the register maintained under section 189 of the Companies Act, 2013, and therefore, the reporting under paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantees, and therefore, the reporting under paragraph 3(iv) of the Order is not applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the Para 3 (v) of the Order are not applicable to the Company.

vi. According to the information and explanations given to us, the Company is required to maintain cost records under Section 148(1) of the Companies Act, 2013. We have broadly reviewed these records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate and complete.



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

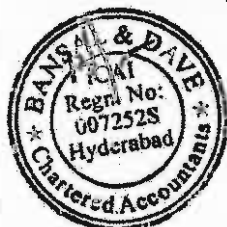
(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Entry Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Sl. No.	Nature of the Statute	Nature of dues	Period to which the amount relates	Amount demanded (Rupees in Lakhs)	Amount paid under dispute (Rupees in Lakhs)	Forum where Dispute is pending
1	Telangana Tax -on Entry of Goods into Local Areas Act, 2001	Entry tax (Demand raised by Commercial Tax Officer, Gandhinagar Circle, Secunderabad HYDERABAD	Financial years 2014-15, 2015-16	962.81	120.35	Appellate Authority upto Commissioner's level

viii. According to the information and explanations given to us, we are of the opinion that the company has not defaulted on repayment of dues to Bond holders. The company has not taken any loans or borrowing from Financial Institution, bank and Government.

ix. During the year, the Company has not raised moneys by way of initial public offer or further public offer (including Bonds) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The company has not paid or provided any managerial remuneration during the year, and therefore, the reporting under paragraph 3 (xi) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under Para 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For BANSAL & DAVE

Chartered Accountants

Firm Regn. No.007252S



Rajiv Dave

Partner

Mem. No. 052947



Place : Hyderabad

Date : 23/05/2018

BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

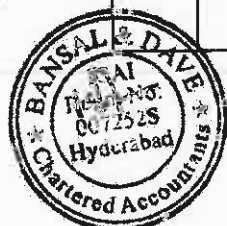
Email : bansaldave@yahoo.co.in

Annexure-C to the Independent Auditor's Report

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of POWERGRID VIZAG TRANSMISSION LIMITED of even date)

Report on the directions under Section 143(5) of the Companies Act, 2013 given by the Comptroller & Auditor General of India in respect of accounts of POWERGRID VIZAG TRANSMISSION LIMITED for the year ended 31st March 2018.

Sl. No.	Direction	Auditor's report	Impact on Accounts and Financial Statements
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available	According to the information and explanations given to us, and based on our examination of books and representations provided by the management, we report that the company does not own any freehold and leasehold land, and therefore, the said direction is not applicable.	Nil
2	Whether there are any cases of waiver/ write off of debts/loans/ interest etc., if yes, the reasons there for and the amount involved.	Based on our examination of books and records of the company and the information furnished and explanations given by the management, we report that there are no cases of waiver/ write off of debts/loans/ interest etc. during the Financial Year under audit.	Nil



BANSAL & DAVE

CHARTERED ACCOUNTANTS

Phones : 23234799, 23298301, Fax : 040-23231246

201, Gupta Estate, 5-9-58, Basheerbagh, Hyderabad - 500 004.

Email : bansaldave@yahoo.co.in

Sl. No.	Direction	Auditor's report	Impact on Accounts and Financial Statements
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities	According to the information and explanations furnished to us during the course of audit, and based on our examination of books and records, we report that there are no inventories lying with third parties as on 31 st March 2018, and also no assets were received as gift/grants from the Government or other authorities	Nil

For BANSAL & DAVE

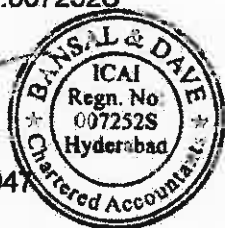
Chartered Accountants

Firm Regn. No.007252S


Rajiv Dave

Partner

Mem. No. 052947



Place : Hyderabad

Date : 23/05/2018

POWERGRID UNCHAHAR TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2012GOI246341)

ANNUAL REPORT (2017-18)

POWERGRID UNCHAHAR TRANSMISSION LIMITED

CIN: U40300DL2012GOI246341

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

The Members,

I am delighted to present on behalf of the Board of Directors the Sixth Annual Report of POWERGRID Unchahar Transmission Limited on the working of the Company together with Audited Financial Statements, Auditors' Report for the financial year ended 31st March, 2018.

State of Company Affairs

POWERGRID Unchahar Transmission System Limited (PUTL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on March 24, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for ATS of Unchahar TPS on build, own, operate and maintain (BOOM) basis. The transmission system comprising 400 kV D/C is to traverse the state of Uttar Pradesh. The Company was granted transmission license by CERC in July, 2014. The Project has been commissioned on 23.09.2016.

Financial Performance

	<i>Rs. Lakh</i>	
Particulars	2017-18	2016-17
Revenue from Operations	1633.97	408.28
Other Income	-	-
Total Income	1633.97	408.28
Expenses	881.36	416.76
Profit before Tax	752.61	(8.48)
Profit after Tax	904.76	(5.68)
Earnings Per Equity Share (Rs.)	6.98	(0.10)

Share Capital

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 14 Crore and Rs. 12.96 Crore, respectively.

Dividend and Transfer to Reserves

For Financial Year 2017-18, your Company has proposed a final dividend of ₹ 2.07 crore i.e. Rs. 1.60 per share in addition to ₹ 1.944 crore i.e. ₹1.5 per share of Interim Dividend paid in December, 2017.

The Company has transferred an amount of Rs. 8.75 Lakhs to Self Insurance Reserve and retained Rs. 656.09 Lakh in other Equity.

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

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgements 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;

- iii. 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;
- iv. the Directors had prepared the Annual Accounts on a going concern basis; and
- v. 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.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure –II** to this Report.

Board of Directors

As on 31st March, 2018, the Board comprised four Directors viz. Shri Ravi P Singh, Shri D. K. Valecha, Shri S. Vaithilingam and Shri Atul Trivedi.

There were some changes in the Board of Director of the Company during the financial year 2017-18. Shri Ajoy Kumar Sinha ceased to be Director on the Board of the Company w.e.f. 31.07.2017 on attaining the age of superannuation. In his place, Shri Atul Trivedi, Executive Director (NR-III) was nominated by POWERGRID as Director on the Board of the Company w.e.f 15.09.2017.

Subsequently, after the end of the Financial Year 2017-18, Shri D. K. Valecha and Shri S. Vaithilingam also ceased to be Directors of the Company w.e.f 30.04.2018. Shri D. C. Joshi and Shri Pramod Kumar had been appointed as Additional Directors w.e.f. 07.05.2018 and 11.05.2018, respectively, who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri D. C. Joshi and Shri Pramod Kumar as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 read with Articles of Association of the Company, Shri Ravi P. Singh shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offer himself for re-appointment.

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

Also Shri Ajay Kumar Shukla was appointed as Chief Financial Officer and Shri Shwetank Kumar was appointed as Company Secretary of the Company w.e.f. 25.05.2017.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, 5 (five) meetings of Board of Directors were held on 27.06.2017, 15.09.2017, 26.12.2017, 15.02.2018 and 22.03.2018. The details of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri Ravi P. Singh	Chairman	5	5
Shri D.K. Valecha#	Director	5	4
Shri S. Vaithilingam#	Director	5	5
Shri Atul Trivedi*	Director	4	2
Shri Ajoy Kumar Sinha**	Director	1	0

#ceased to be Director w.e.f. 30.04.2018

*appointed w.e.f. 15/09/2017

**ceased to be director w.e.f. 31.07.2017

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. As on 31.03.2018, the Audit Committee comprised three members viz. Shri S. Vaithilingam, Shri D.K. Valecha and Shri Atul Trivedi as its members with Shri S Vaithilingam as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Shri Pramod Kumar, Shri D.C. Joshi and Shri Atul Trivedi as its members with Shri Pramod Kumar as Chairman.

During the financial year 2017-18, two (2) meetings of Audit committee were held on 27.06.2017 and 15.02.2018, respectively.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted in line with the requirement of the provisions of Section 178 of the Companies Act, 2013. As on 31/03/2018, the NRC comprised three members viz. Shri D. K. Valecha, Shri S. Vaithilingam and Shri Atul Trivedi as its members with Shri D. K. Valecha as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Nomination & Remuneration Committee was reconstituted to comprise Shri Pramod Kumar, Shri D.C. Joshi and Shri Atul Trivedi as its members with Shri Pramod Kumar as Chairman.

During the financial year 2017-18, one (1) meeting of the committee was held on 27.06.2017.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 5th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PUTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors

M/s K. K. Nigam & Co., Chartered Accountants, Lucknow, was appointed by Comptroller and Auditor General (C&AG) of India as Statutory Auditors of the Company for the financial year 2017-18.

Further, C&AG of India has appointed M/s K. K. Nigam & Co., Chartered Accountants, Lucknow, as Statutory Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors' Report

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

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's(C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 27th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 27th July, 2018 received from C&AG is placed at ***Annexure-III*** to this report.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, is required to spend, atleast 2% of the Average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, PUTL has not satisfied any of the above criteria during the FY 2017-18, the provisions of Section 135 requiring to incur expenditure on CSR were not applicable on the Company for the Financial Year 2017-18.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

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

For and on behalf of
POWERGRID Unchahar Transmission Limited

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 28th August, 2018
Place: Gurgaon

POWERGRID UNCHAHAR TRANSMISSION LIMITED**FORM NO. AOC -2**

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

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

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

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

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

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	
b	Nature of contracts/arrangements/transaction	Part (A): to take any security(ies) / guarantee(s) in connection with loan(s) and/or avail Inter corporate loan(s) on cost to cost basis upto an amount of Rs 90 crore from POWERGRID. Part (B): to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus tax as applicable. Part (C): to avail services of POWERGRID for undertaking

		Operation & Maintenance activities of the assets owned by the Company.
c	Duration of the contracts/ arrangements/ transaction	Part (A): As mutually agreed. Part (B): Commissioning of the project including associated reconciliation activities. Part (C): As mutually agreed.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	13.08.2014 [for Part (A)], 04.04.2016 [for Part (B)], 23.12.2016 [for Part (C)].
f	Amount paid as advances, if any	-

For and on behalf of
POWERGRID Unchahar Transmission Limited

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 28th August, 2018
Place: Gurgaon

POWERGRID UNCHAHAR TRANSMISSION LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL2012GOI246341
ii.	Registration Date	17 th December, 2012
iii.	Name of the Company	POWERGRID Unchahar Transmission Limited [formerly Unchahar Transmission Limited]
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9, Qutab, Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Power Grid Corporation of India Limited (POWERGRID)*	L40101DL1989GOI038121	Holding Company	100%	2(46)

* Holding Company w.e.f. 24.04.2014

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6*	0.00	-	6*	6*	0.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	12961061	12961061	100	0	12961061	12961061	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	0	12961067	12961067	100	0	12961067	12961067	100	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-

B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	12961067	12961067	100	0	12961067	12961067	100	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the compan	%of Shares Pledged/ encumb-ered to	No. of Shares	% of total Shares of the compan	%of Shares Pledged/ encumb-ered to	
1.	Power Grid Corporation of India Limited (POWERGRID)	12961061	100	-	12961061	100	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.00	-	01	0.00	-	-
3.	Shri Ranjan Kumar Srivastava jointly with POWERGRID*	01	0.00	-	-	-	-	(0.00)
4.	Shri Ravi P. Singh jointly with POWERGRID	01	0.00	-	01	0.00	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID**	01	0.00	-	-	-	-	(0.00)
6.	Shri D .K. Valecha jointly with POWERGRID	01	0.00	-	01	0.00	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.00	-	01	0.00	-	-
8.	Shri KSR Murty jointly with POWERGRID*	-	-	-	01	0.00	-	0.00
9.	Smt. Seema Gupta jointly with POWERGRID**	-	-	-	01	0.00	-	0.00
	Total	12961067	100	-	12961067	100	-	-

*01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 15.02.2018.

**01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 22.03.2018

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Power Grid Corporation of India Limited				
	At the beginning of the year	12961061	100	12961061	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>There was no change in promoters shareholding however there were 2 (two) changes in the POWERGRID's nominees (Individuals) who hold 1 equity share each jointly with POWERGRID. They are as follows:</p> <ol style="list-style-type: none"> 01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 15.02.2018. 01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 22.03.2018. <p>(May please also refer information provided under Sr. No. IV (ii) above).</p>			
	At the End of the year	12961061	100	12961061	100

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				

	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri Ravi P Singh, Chairman				
	At the beginning of the year	01*	0.000	01*	0.000
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.000	01*	0.000
2	Shri D. K. Valecha, Director**				
	At the beginning of the	01*	0.000	01*	0.00

	year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.00	01*	0.00
3	Shri S. Vaithilingam, Director**				
	At the beginning of the year	01*	0.00	01*	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.00	01*	0.00
4	Shri Atul Trivedi, Director***				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

* Jointly with POWERGRID

**Ceased to be Director w.e.f. 30.04.2018

***appointed as Director w.e.f.15.09.2017

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	544,365,228	-	544,365,228
ii) Interest due but not paid				
iii) Interest accrued but not due	-	0	-	0
Total (i+ii+iii)	-	544,365,228	-	544,365,228
Change in Indebtedness during the financial year				
- Addition				
- Reduction	-	1,48,36,000	-	1,48,36,000
	-	0	-	0
Net Change		1,48,36,000	-	1,48,36,000
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	-	55,92,01,228	-	55,92,01,228
iii) Interest accrued but not due	-	-	-	-
	-	-	-	-
Total (i+ii+iii)	-	55,92,01,228	-	55,92,01,228

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-

	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CE O	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of
POWERGRID Unchahar Transmission Limited

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

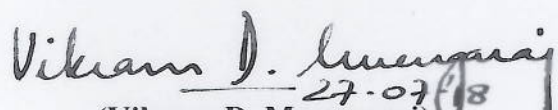
Date: 28th August, 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF POWERGRID UNCHAHAR TRANSMISSION LIMITED FOR
THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Powergrid Unchahar Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Unchahar Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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


(Vikram D. Murugaraj)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 27 July 2018

K.K. NIGAM & CO

Chartered Accountants

Flat No 5A, 2nd Floor Fairdeal House,
34, Lalbagh, Lucknow-226001.

INDEPENDENT AUDITORS' REPORT

To the Members of **Powergrid Unchahar Transmission Limited**

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Powergrid Unchahar Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure '2'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143 (3) of the Act, we report that:



- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- e. In pursuance to the notification No. G.S.R. 463(E) dated 05.06.2015 issued by the ministry of Corporate Affairs, Section 164(2) of the Companies Act, 2013, pertaining to disqualification of Directors is not applicable to a Government company.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**.
- g. 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, 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 Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company;

For K.K. NIGAM & CO
Chartered Accountants

CA K.K. NIGAM
Membership No. 015067
FRN : 004547C

Place: Lucknow

Date: 23-5-2018



K.K. NIGAM & CO

Chartered Accountants

Flat No 5A, 2nd Floor Fairdeal House,
34, Lalbagh, Lucknow-226001.

Annexure – 1

As referred to in our Independent Auditors' Report to the members of the **Powergrid Unchahar Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2018, we report that:

		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	<i>Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</i>	<i>The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.</i>
	(b)	<i>Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;</i>	<i>The fixed assets have been physically verified by management during the year and no material discrepancies were noticed on such verification.</i>
	(c)	<i>Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;</i>	<i>The transmission line towers erected by the company on the farmers land are treated as immovable property based on the provisions of the Indian Telegraph Act, which permits public utility undertakings to erect such towers without acquiring the land by paying adequate tree/crop compensation by the company to the owners of the said property</i>
(ii)		<i>Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;</i>	<i>There is no Inventory yet, thus no physical verification of inventory was conducted.</i>
(iii)		<i>Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,</i>	<i>According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable</i>
	(a)	<i>Whether the terms and conditions of the grant</i>	<i>Not Applicable</i>



		<i>of such loans are not prejudicial to the company's interest.</i>	
	(b)	<i>Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</i>	Not Applicable
	(c)	<i>If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.</i>	Not Applicable
(iv)		<i>In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.</i>	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
(v)		<i>in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</i>	According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal
(vi)		<i>whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained</i>	The Provisions of the clause (vi) of the Order, relating to maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable since the Company's turnover or Net Worth of the Company as the case may be has not exceeded Rs.500.00 Crores during the current year
(vii)	(a)	<i>Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including: i) Provident fund; ii) Employees' state insurance; iii) Income-tax; iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues. If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day</i>	According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 st March, 2018 for a period of more than six months from the date they became payable.



		<i>of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.</i>	
	(b)	<i>where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</i>	<i>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.</i>
(viii)		<i>Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.</i>	<i>According to information and explanations given to us, there is no such default.</i>
(ix)		<i>Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</i>	<i>Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Holding Company Resource Mobilization cell provided inter corporate loan and raises demand for servicing as per the terms of source of fund from which it has funded the inter corporate loan. We report that the amounts received were applied for the purposes for which they were raised</i>
(x)		<i>Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;</i>	<i>According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</i>
(xi)		<i>Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;</i>	<i>The company has not provided for any Managerial Remuneration for the year 2017-2018. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company except costs allocated by the Holding Company based on the time spent. Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company</i>
(xii)		<i>Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</i>	<i>Not Applicable</i>



Power Grid Unchahar Transmission Ltd. CARO Report FY 2017-18

(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	According to the information and explanations given to us, there is no such case.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	According to the information and explanations given to us, there is no such case.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For K.K. Nigam & Co.
Chartered Accountants



(CA K.K. NIGAM)

Partner

M. No. 015067

FRN : 004547C



Place: Lucknow

Dated: 23.5.2018

Annexure-2

Annexure referred to in our report of even date to the members of Powergrid Unchahar Transmission Limited ('the Company) on the account for the year ended 31st March 2018

Sl. No.	Particulars	Auditor's Comments	Action taken by management	Impact on financial statements
1.	Whether the Company has clear title/lease deeds for freehold, lease hold land, building and flats? If not, please state the area of the freehold land, lease hold land and buildings / flats for which title /lease deeds are not available.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.	Company doesn't hold any freehold/leasehold land, building or flat.	Nil
2.	Whether there are any cases of waiver / write off of debts/loans/ interest etc. If yes, the reasons thereof and the amount involved.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.	There were no cases of waiver of debts/loans/interest etc. during the year.	Nil
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift, grant(s) from the Govt. or other authorities?	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, We agree to the Management's response.	There are no inventories lying with third parties. No assets have been received as gift from the Government or other Authorities.	Nil



For K.K. Nigam & Co,
Chartered Accountants

K.K. Nigam

(CA K.K. Nigam)
Partner

Membership No. 015067
Firm Regn. No. 004547C

Dated: 23-5-2018
Place : Lucknow

K.K. NIGAM & CO

Chartered Accountants

Flat No 5A, 2nd Floor Fairdeal House,
34, Lalbagh, Lucknow-226001.**ANNEXURE – 3**

As referred to in our Independent Auditors' Report to the members of the **Powergrid Unchahar Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2018

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 of the company as at March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting



principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.


Inherent Limitations of internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 K.K. NIGAM & CO.
Chartered Accountants


CA K.K. NIGAM
Membership No. 015067
FRN : 004547C
Place: Lucknow
Date: 23.5.2018



POWERGRID UNCHAHAR TRANSMISSION LIMITED
Balance Sheet As at 31st March 2018

(₹ in Lakh)

Particulars	Note No	As at 31st March 2018	As at 31st March 2017
ASSETS			
NON-CURRENT ASSETS			
Property, Plant And Equipment	4	6715.11	7071.58
Capital Work-in-Progress	5	0.00	0.00
Deferred tax Asset (Net)	6	154.95	2.80
Other Non-Current Assets	7	211.45	58.00
		7081.51	7132.38
CURRENT ASSETS			
Financial Asset			
Trade Receivables	8	137.06	0.00
Cash And Cash Equivalents	9	129.87	716.32
Other Current Financial Assets	10	218.30	127.07
		485.23	843.39
Total Assets		7566.74	7975.77
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11	1296.11	1296.11
Other Equity	12	664.84	-5.92
		1960.95	1290.19
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	13	4849.89	5443.65
		4849.89	5443.65
CURRENT LIABILITIES			
Financial Liabilities			
Trade Payables	14	0.54	0.00
Other Current Financial Liability	15	742.12	1204.74
Other Current Liabilities	16	0.05	37.19
Current Tax Liabilities (Net)	17	13.19	0.00
		755.90	1241.93
Total Liabilities		7566.74	7975.77

The accompanying Notes 1 to 39 form an integral part of Financial Statements

In terms of our Report of even date

For K K Nigam & Co

Chartered Accountants

(K K Nigam)

Partner

Membership No.- 015067

FRN:-004547C

Date:

Place: Lucknow



For and on behalf of the Board

Ravi P Singh

Chairman

DIN: 005240974

A. K. Shukla

CFO

Pramod Kumar

Director

DIN: 0008132119

Shwetank Kumar

Company Secretary

Date:

Place: Gurugram

POWERGRID UNCHAHAR TRANSMISSION LIMITED
Statement of Profit and Loss For the year ended 31st March 2018

(₹ in Lakh)

Particulars	Note No	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Income			
Revenue from operations	18	1,633.97	408.28
Other income	19	-	-
Total Income		1,633.97	408.28
Expenses			
Finance costs	20	447.05	196.16
Depreciation and amortization expenses	21	385.80	191.21
Other expenses	22	48.51	29.39
Total Expenses		881.36	416.76
Profit/(Loss) before Tax		752.61	(8.48)
Tax Expense			
Current tax		153.45	-
Less: MAT Credit		(153.45)	-
Add: Deferred Tax (Net)		(152.15)	(2.80)
Total Tax Expense		(152.15)	(2.80)
Profit (Loss) for the period		904.76	(5.68)
Earning Per Equity Share (Par Value ₹ 10/- each)			
Basic (in ₹)		6.98	(0.10)
Diluted (in ₹)		6.98	(0.10)

The accompanying Notes 1 to 39 form an integral part of Financial Statements

In terms of our Report of even date
For K K Nigam & Co
Chartered Accountants

(K K Nigam)
Partner
Membership No.- 015067
FRN:-004547C

Date: 23-5-2018
Place: Lucknow



For and on behalf of the Board

Ravi P Singh
Chairman
DIN: 05240974

A. K. Shukla
CFO

Pramod Kumar
Director
DIN: 0008132119

Shwetank Kumar
Company Secretary

Date:
Place: Gurugram

POWERGRID UNCHAHAR TRANSMISSION LIMITED
CIN: U40300DL2012GOI246341
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakh)

Particulars	For the year ended	
	31.03.2018	31.03.2017
A. Cash Flow from Operating Activities:		
Net profit/Loss before Tax	752.61	(8.48)
Add: Depreciation	385.80	191.21
Add: Interest expense	447.05	196.16
Operating Profit/Loss before Working Capital Changes	1,585.46	378.89
Adjustments for Increase/Decrease in:		
(Increase)/Decrease in Current Assets	(228.29)	(127.07)
Increase/(Decrease) in Current Liabilities	6.72	(393.83)
Cash Generated from Operations	1,363.89	(142.01)
-Tax Paid	(153.45)	(58.00)
Net Cash (used in)/from Operating Activities	1,210.44	(200.01)
B. Cash Flow from Investing Activities:		
Payment of retention/dues for capital expenditure	(979.85)	(3,010.76)
Net Cash (used in)/from Investing Activities	(979.85)	(3,010.76)
C. Cash Flow from Financing Activities:		
Equity Share Capital	-	1,291.10
Loans obtained during the year	148.36	2,831.73
Interest paid during the year	(731.40)	(196.16)
Interim Dividend Paid	(194.42)	-
Tax on interim Dividend	(39.58)	-
Cash Flow (used in)/from Financing Activities:	(817.04)	3,926.67
D. Net change in Cash and Cash equivalents(A+B+C)	(586.45)	715.90
E. Cash and Cash equivalents(opening balance)	716.32	0.42
F. Cash and Cash equivalents(closing balance)(Note no 8)	129.87	716.32

The accompanying Notes 1 to 39 form an integral part of Financial Statements

Note :

- i) Cash and Cash equivalents consist of cheques, Drafts, Stamps In Hands, balances with banks and deposits with original maturity of upto three months.
- ii) Previous year figures have been re-grouped/re-arranged wherever necessary.

In terms of our Report of even date
For K K Nigam & Co
Chartered Accountants

(K K Nigam)
Partner
Membership No.- 015067
FRN:-004547C



Date: 23-5-2018
Place: Lucknow

For and on behalf of the Board

Ravi P Singh
Chairman
DIN:- 05240974

A. K. Shukla
CFO

Pramod Kumar
Director
DIN: 0008132119

Shwetank Kumar
Company Secretary

Date:
Place: Gurugram

POWERGRID UNCHAHAR TRANSMISSION LIMITED
Statement of Changes in Equity for the Year ended 31st March 2018

A. Equity Share Capital (₹ in Lakh)

As at 1st April, 2016	5.00
Changes in equity share capital	1291.11
Balance at 31st March, 2017	1296.11
As at 1st April, 2017	1296.11
Changes in equity share capital	0
Balance at 31st March, 2018	1296.11

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2016		(0.24)	(0.24)
Total Comprehensive Income for the year		(5.68)	(5.68)
Balance at 31st March, 2017		(5.92)	(5.92)
Balance at 1st April, 2017		(5.92)	(5.92)
Total Comprehensive Income for the year		904.76	904.76
Dividends- Interim FY2017-18		(194.42)	(194.42)
Tax on Interim Dividend-FY2017-18		(39.58)	(39.58)
Transfer to/from retained earnings	8.75	(8.75)	-
Balance at 31st March, 2018	8.75	656.09	664.84

The accompanying Notes 1 to 39 form an integral part of Financial Statements
Refer to Note No. 12 for nature and movement of reserve and surplus

In terms of our Report of even date

For K K Nigam & Co

Chartered Accountants

(K K Nigam)

Partner

Membership No.- 015067

FRN:-004547C

Date: 23-5-2018

Place: Lucknow



For and on behalf of the Board

[Signature]

Ravi P Singh

Chairman

DIN:- 05240974

[Signature]

A. K. Shukla

CFO

Date:

Place: Gurugram

[Signature]

Pramod Kumar

Director

DIN: 0008132119

[Signature]

Shwetank Kumar

Company Secretary

POWERGRID UNCHAHAAR TRANSMISSION LIMITED

Note 4/Property, Plant and Equipment

(₹ in Lakh)

Particulars	Cost				Accumulated depreciation				Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2018
Plant & Equipment										
Transmission Line	7262.79	29.33	0.00	0.00	7292.12	191.21	385.80	0.00	0.00	6715.11
Total	7262.79	29.33	0.00	0.00	7292.12	191.21	385.80	0.00	0.00	6715.11
										7071.58
Particulars										
Plant & Equipment										
Transmission Line	0.00	7262.79	0.00	0.00	7262.79	0.00	191.21	0.00	0.00	7071.58
Previous Year Total	0.00	7262.79	0.00	0.00	7262.79	0.00	191.21	0.00	0.00	7071.58



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 5/Capital Work-in-Progress**

(₹ in Lakh)

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March 2018	As at 31st March 2017
Plant & Equipment						
Transmission Line	0.00	(11.07)	0.00	(11.07)	0.00	0.00
Expenditure during Construction (Net)	0.00	40.40	0.00	40.40	0.00	0.00
Total	0.00	29.33	0.00	29.33	0.00	0.00
	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March 2017	As at 31st March 2016
Plant & Equipment						
Transmission Line	3386.11	2967.17	0.00	6353.28	0.00	3386.11
Expenditure during Construction (Net)	393.27	516.24	0.00	909.51	0.00	393.27
Construction Stores (Net of Provision)	472.65	1256.57	1729.22	0.00	0.00	472.65
Previous Year Total	4252.03	4739.98	1729.22	7262.79	0.00	4252.03



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 6/Deferred tax Asset (Net)**

(₹ in Lakh)

Particulars	As at 31st March,2018	As at 31st March,2017
Deferred Tax Asset		
Accumulated Losses	562.99	780.04
Less: Deferred Tax Liability		
Depreciation difference on Property Plant and Equipment	408.04	777.24
Total	154.95	2.80

Movement in Deferred Tax asset

(₹ in Lakh)

Particulars	Accumulated Losses	Depreciation Difference in Property Plant and Equipment
As at 1st April 2017	780.04	(777.24)
Charged/ (Credited) to Profit or Loss	217.05	(369.20)
As at 31st March,2018	562.99	(408.04)



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 7/Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Advances recoverable in cash or in kind or for value to be received		
MAT Credit Entitlement	153.45	0.00
Income Tax Paid In Advance (FY2016-17)	58.00	58.00
TOTAL	211.45	58.00



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 8/Trade receivables**

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Trade Receivable		
-Unsecured Considered Good	137.06	0.00
Total	137.06	0.00



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 9/Cash and Cash Equivalents**

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance with banks-		
-In Current accounts	129.87	716.32
Total	129.87	716.32



POWERGRID UNCHAHAR TRANSMISSION LIMITED

Note 10/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Unbilled Revenue*	218.30	127.07
Total	218.30	127.07

Further notes:

*Unbilled revenue represent transmission charges for the month of March in the financial year amounting to Rs 148.19 Lakhs (Previous year 127.07 lakhs) billed to beneficiaries in the subsequent month i.e. April 2018 and transmission incentive of Rs. 70.11 Lakhs for the period 21.12.2016 to 31.03.2018 to be billed in FY 2018-19 (previous year nil)



POWERGRID UNCHAHAAR TRANSMISSION LIMITED

Note 11/Equity Share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
14000000 (Previous year 14000000) equity share of ₹ 10/- each	1400.00	1400.00
Issued, subscribed and paid up		
12961067 (Previous Year 12961067) equity shares of ₹ 10/-each at par	1296.11	1296.11
fully paid up		
Total	1296.11	1296.11

(₹ in Lakh)

Further Notes:

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the year	12961067	1,296.11	50000	5.00
Shares Issued during the year	-	-	12911067	1,291.11
Shares outstanding at the end of the year	12961067	1,296.11	12961067	1,296.11

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

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited #	12961067	100%	12961067	100%

Out of 12961067 Equity Shares (Previous Year 50000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 12/Other Equity**

(₹ in Lakh)

Particulars		As at 31st March, 2018	As at 31st March, 2017
Self Insurance Reserve			
As per last balance sheet	-		
Addition during the year	8.75		
Deduction during the year	-		
Closing Balance		8.75	
Retained Earnings			
Balance at the beginning of the year	(5.92)		(0.24)
Add : Net Profit for the period	904.76		(5.68)
Less: Self Insurance Reserve	8.75		
Less: Interim Dividend paid (FY 2017-18)	194.42		
Less: Tax on Interim Dividend (FY 2017-18)	39.58		
Closing Balance		656.09	(5.92)
Closing Balance		664.84	(5.92)



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 13/ Borrowings**

(₹ in Lakh)

Description	As at 31st March, 2018	As at 31st March, 2017
Unsecured		
Loan from Power Grid Corporation of India Limited (Holding Company)	4849.89	5443.65
TOTAL	4849.89	5443.65

Note: The inter corporate loan is provided by the holding company on cost to cost basis (interest rate varying from 7.20% to 8.40% and converted into single rate of interest @ 8.2002% w.e.f. 01.04.2018)



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 14/Trade Payables**

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
For Goods and Services	0.54	0.00
Total	0.54	0.00

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 28 (e).



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 15/Other Current Financial Liability**

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Current Maturities of Long term Borrowings		
Loan from Power Grid Corporation of India Ltd., (Holding Company)	742.12	0.00
Interest accrued but not due on borrowings from		
Loan from Power Grid Corporation of India Ltd., (Holding Company)	0.00	254.22
Others		
Dues for capital expenditure	0.00	61.74
Payable to Power Grid Corporation of India Limited (Holding Company)	0.00	352.05
Deposits/Retention money from contractors and others	0.00	536.62
Audit Fees payable	0.00	0.11
Total	742.12	1204.74

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 28 (e).



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 16/Other current liabilities**

(₹ in Lakh)

Particulars	As at 31st March 2018	As at 31st March 2017
Statutory dues	0.05	37.19
Total	0.05	37.19



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 17/Current Tax Liabilities (Net)**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Taxation (Including Interest on tax)		
As per last balance sheet	0.00	0.00
Addition during the year	153.45	0.00
Less: Income Tax Paid in Advance (FY2017-18)	140.26	0.00
Total	13.19	0.00



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 18/Revenue from operations**

(₹ in Lakh)

Particulars	For the Year ended	
	31 March 2018	ended 31 March 2017
Sale of Services Transmission Charges	1633.97	408.28
Total	1633.97	408.28



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 19/Other income**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Sale of Services		
Miscellaneous Income	0.11	0.00
Less: Transferred to Expenditure during Construction(Net)-Note 23	0.11	0.00
Total	0.00	0.00



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 20/Finance costs**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Interest and finance charges on financial liabilities at amortised cost		
Interest on Loan from Power Grid Corporation of India Limited (Holding Company)	447.05	393.40
Less: Transferred to Expenditure during Construction(Net)-Note 23	0.00	197.24
Total	447.05	196.16



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 21/Depreciation and amortization expense**

(₹ in Lakh)

Particulars	For the Year	For the Year
	ended 31 March 2018	ended 31 March 2017
Depreciation of Property, Plant and Equipment	385.80	191.21
Total	385.80	191.21



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 22/Other expenses**

(₹ in Lakh)

Particulars		For the Year ended 31 March 2018	For the Year ended 31 March 2017
Repair & Maintenance			
Plant & Machinery			
Transmission lines	39.59		13.15
System & Market Op. Charges	0.30		0.00
Professional charges(Including TA/DA)	40.64		318.99
Payments to Statutory Auditors			
Audit Fees including GST/Service Tax	0.89		0.58
Tax Audit Fees	0.12		0.00
Out of pocket expenses	0.10		0.00
Printing and stationery	0.03		0.33
CERC petition & Other charges	8.00		15.00
Bank Charges	0.05		0.00
Rates and taxes	0.30		0.18
Other charges	0.00		0.17
		89.02	348.38
Less:Transferred to Expenditure during Construction(Net)-Note 23		40.51	318.99
Total		48.51	29.39



POWERGRID UNCHAHAR TRANSMISSION LIMITED**Note 23/ Expenditure during Construction (Net)**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
A. Other Expenses		
Professional charges	40.51	318.99
Total (A)	40.51	318.99
B. Finance Costs		
Interest on Loan from Power Grid Corporation of India Limited (Holding Company)	0.00	197.24
Total (B)	0.00	197.24
C. Less: Other Income		
Miscellaneous Income	0.11	0.00
Total (C)	0.11	0.00
D. GRAND TOTAL (A+B-C)	40.40	516.23



Notes to Financial Statements

1. Corporate and General Information

Powergrid Unchahar Transmission Limited ('the Company') is domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.

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

The financial statements of the company for the year ended March 31, 2018 were approved for issue by the Board of Directors on 23.05.2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and presentation currency

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

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses



during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The company had opted to consider the carrying value of property, plant and equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101, 'First Time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.



Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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



2.4 Intangible Assets and Intangible Assets under development

The company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101, 'First Time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.



Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended



use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.



Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) Finance leases

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

b) Operating leases

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.



2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.



De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by



another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables under Ind AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.



2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is



accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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

2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.



Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.



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

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

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.20 Cash Flow Statement

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

Note 3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments



1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



Notes to Financial Statements

24. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

25. Party Balances and Confirmations

Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

26. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise -

Particulars		Amount in Foreign Currency		Amount (₹ in Lakh)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.	USD/ EURO/ SEK	NIL	NIL	NIL	NIL
Trade Payables/deposits and retention money	USD	NIL	NIL	NIL	NIL
Trade receivables and Bank balances	USD/ NPR	NIL	NIL	NIL	NIL
Unexecuted amount of contracts remaining to be executed	USD	NIL	NIL	NIL	NIL

27. Auditors Remuneration

S. No.	Particulars	FY 2017-18 Amount (₹ in Lakh)	FY 2016-17 Amount (₹ in Lakh)
1	Statutory Audit Fees	0.76	0.50
2	Tax Audit	0.12	-
3	Other Matters	-	-
4	GST/Service Tax	0.13	0.08
	Total	1.01	0.58

Statutory Audit Fees includes ₹0.16 Lakh pertaining to previous years.



28. Other Disclosures

a. *Employee Benefits*

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement Dt. 07-Feb-2017. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

b. *Taxation*

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of ₹ 153.45 Lakh (Previous Year ₹ NIL) for the year towards current Tax (Minimum Alternate Tax). In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Liability/ (Asset) amounting to ₹ (154.95) Lakh (Previous Year ₹ (2.80) Lakh) on account of timing difference in relation to depreciation and accumulated losses carried forward.

c. *Leases*

Finance Lease: The Company has no finance leases.

Operating Lease: The Company has no operating leases.

d. *Borrowing cost*

Borrowing cost capitalised during the year is ₹ NIL (Previous year ₹ 197.24 Lakh) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

e. *Dues to Micro and Small Enterprises*

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no dues to parties on account



of principal amount and / or interest and accordingly no additional disclosures have been made.

f. Corporate Social Responsibilities (CSR)

As per section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year, the company is required to spend, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Since, Powergrid Unchahar Transmission Ltd. has not satisfied any of the above criteria, expenditure on account of CSR does not apply to the company.

g. Revenue from operations were started w.e.f. 21.12.2016 in previous year, hence figures of profit & Loss Account are not comparable.

29. Fair Value Measurements

(₹ in Lakh)

Financial Instruments by category	31 st March, 2018		31 st March, 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<u>Financial Assets</u>				
Trade Receivables	-	137.06	-	-
Cash & cash Equivalents	-	129.87	-	716.32
Other Current Financial Assets	-	218.30	-	127.07
Total Financial assets		485.23		843.39
<u>Financial Liabilities</u>				
Borrowings	-	5592.01	-	5697.87
Trade Payables	-	0.54	-	-
Current Financial Liabilities		-		950.52
Total financial liabilities		5592.55		6648.39

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



of principal amount and / or interest and accordingly no additional disclosures have been made.

f. Corporate Social Responsibilities (CSR)

As per section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year, every year the company is required to spend, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Since, Powergrid Unchahar Transmission Ltd. has not satisfied any of the above criteria, expenditure on account of CSR does not apply to the company.

g. Revenue from operations were started w.e.f. 21.12.2016 in previous year, hence figures of profit & Loss Account are not comparable.

29. Fair Value Measurements

(₹ in Lakh)

Financial Instruments by category	31 st March, 2018		31 st March, 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<u>Financial Assets</u>				
Trade Receivables	-	137.06	-	-
Cash & cash Equivalents	-	129.87	-	716.32
Other Current Financial Assets	-	218.30	-	127.07
Total Financial assets		485.23		843.39
<u>Financial Liabilities</u>				
Borrowings	-	5592.01	-	5697.87
Trade Payables	-	0.54	-	-
Current Financial Liabilities		-		950.52
Total financial liabilities		5592.55		6648.39

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



(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018 Financial Assets		-	-	-	-
Total Financial Assets					
Financial Liabilities Borrowings	-	-	5859.98	-	5859.98
Total financial liabilities	-	-	5859.98	-	5859.98

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2017 Financial Assets					
Total Financial Assets					
Financial Liabilities Borrowings			5800.14	-	5800.14
Total financial liabilities			5800.14	-	5800.14

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost

(₹ in Lakh)

	31 March 2018		31 March 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Total Financial Assets				
Financial Liabilities				
Borrowings	5592.01	5859.98	5697.87	5800.14
Total financial liabilities	5592.01	5859.98	5697.87	5800.14

The carrying amounts of trade receivables, cash and cash equivalents, other current financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

30. Related party Transactions

(a) Holding Company

		Proportion of Ownership Interest	
Name of entity	Place of business/country of incorporation/Relationship	31-Mar-2018	31- Mar- 2017
Power Grid Corporation of India Limited	India- Holding Company	100%	100%

(b) List of Fellow Subsidiaries

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powergrid NM Transmission Limited	India	NA	NA



Powergrid Vizag Transmission Limited	India	NA	NA
Powergrid Kala Amb Transmission Limited	India	NA	NA
Powergrid Jabalpur Transmission Limited	India	NA	NA
Powergrid Warora Transmission Limited	India	NA	NA
Powergrid Parli Transmission Limited	India	NA	NA
Powergrid Southern Interconnector Transmission Limited	India	NA	NA
Powergrid Vemagiri Transmission Limited	India	NA	NA
Grid Conductors Limited#	India	NA	NA
Powergrid Medinipur Jeerat Transmission Limited [erstwhile Medinipur Jeerat Transmission]	India	NA	NA
Powergrid Mithilanchal Transmission Limited*[erstwhile ERSS XXI Transmission Limited]	India	NA	NA
WR-NR Transmission Limited**	India	NA	NA

*100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018

** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018

Pursuant to the application dated 13 June, 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Ltd., the company ceases to be wholly owned subsidiary.

(c) List of Fellow Joint Ventures

Name of entity	Place of business /country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee Powergrid Limited	India	NA	NA
ParbatiKoldam Transmission Company Limited	India	NA	NA
Teestavalley Power Transmission Limited	India	NA	NA
North East Transmission Company Limited	India	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA
Bihar Grid Company Limited	India	NA	NA
KalingaVidyut Prasaran Nigam Private Limited#	India	NA	NA
Cross Border Power Transmission Company Limited	India	NA	NA
RINL Powergrid TLT Private Limited	India	NA	NA
Power Transmission Company Nepal Ltd	Nepal	NA	NA

POWERGRID's Board of Directors in its meeting held on 16th Aug 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Vidyut Prasaran Nigam Pvt. Ltd. under fast track exit made of Registrar of Companies (ROC).

(d) Key Management Personnel

Name	Designation	Date of Appointment
Shri Ravi P. Singh	Chairman	24/03/2014



Shri D. K. Valecha*	Director	24/03/2014
Shri S. Vaithilingam*	Director	11/03/2015
Shri Atul Trivedi	Director	15/09/2017
Shri A. K. Rai	CEO	03/08/2015
Shri Ajay Kumar Shukla	CFO	25/05/2017
Shri Shwetank Kumar	Company Secretary	25/05/2017

* Ceased to be director w.e.f. 30.04.2018

(e) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Services received by the Company		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.		
Consultancy Charges (Excl taxes)	67.26	352.05
Total	67.26	352.05
Infusion of equity		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	-	1291.11
Total	-	1291.11

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

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

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Trade payables (purchases of goods and services)		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	-	352.05
Total payables to related parties	-	352.05

(g) Loans to/from related parties

(₹ in Lakh)

Loans from Holding Company	31 March, 2018	31 March, 2017
Power Grid Corporation of India Ltd.	5592.01	5443.65
Total	5592.01	5443.65

(h) Interest accrued on Loan

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
<u>Holding</u>		
Power Grid Corporation of India Ltd.	NIL	254.22
Total	NIL	254.22



(h) Interest on Loan

(₹ In Lakh)

Particulars	31 March, 2018	31 March, 2017
Holding		
Power Grid Corporation of India Ltd.	447.05	393.40
Total	447.05	393.40

31. Segment Information

Business Segment

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

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

32. Capital and other Commitments

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

33. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

(i) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to ₹ NIL (Previous Year ₹ NIL) are being contested before Appellate Authorities. The company is confident on this matter will be disposed of in favour of the company.

(ii) Others

Other contingent liabilities amounts to ₹ NIL (Previous Year ₹ NIL)

34. Capital management

a) Risk Management

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;



- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

b) Dividends

(₹ in Lakhs)		
Particulars	31st March 2018	31st March 2017
Interim dividend for the year ended 31st March, 2018 of ₹ 1.50 (31st March, 2017 – NIL) per fully paid share	194.42	-

Dividend not recognized at the end of the reporting period

In addition to above dividend, the Board of Directors on 23rd May, 2018 recommended the payment of a final dividend of ₹ 1.60 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

35. Earnings per share

(in ₹)		
a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018	31 March, 2017
From Continuing Operations including movement in Regulatory Deferral Balances	6.98	(0.10)
From Continuing Operations excluding movement in Regulatory Deferral Balances	6.98	(0.10)
Total basic diluted earnings per share attributable to the equity holders of the company	6.98	(0.10)

(₹ in Lakhs)		
b) Reconciliation of earnings used as numerator in calculating earnings per share	31 March, 2018	31 March, 2017
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Balances	904.76	(5.68)
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Balances	904.76	(5.68)



Total Earnings attributable to the equity holders of the company	904.76	(5.68)
--	--------	--------

(c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares	31 March, 2017 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	12961067	56,96,849
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	12961067	56,96,849

36. Financial Risk Management:

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

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

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

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

A) Credit Risk

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

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

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



(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of charge on delayed payment beyond 60 days. A graded rebate is provided by the company for payment made within 60 days.

(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 129.87 Lakh (31st March, 2017: ₹ 716.32 Lakh). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ Exposure to credit risk

(₹ in Lakh)		
Particulars	31 st March, 2018	31 st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	129.87	716.32
Other current financial assets	218.30	127.07
Total	348.17	843.39
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	137.06	NIL

○ Provision for expected credit losses

(₹ in Lakh)						
Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due
Gross carrying amount as on 31 st March, 2018		45.94	60.27	13.61	17.24	0.00
Gross carrying amount as 31 st March, 2017	-	-	-	-	-	-

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company



monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows
(₹ in Lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Borrowings (including interest outflows)	1200.66	4974.01	1083.44	7258.11
Trade Payables	0.54			0.54
Total	1201.20	4974.01	1083.44	7258.65
31 March 2017				
Borrowings (including interest outflows)	446.47	3332.40	5035.73	8814.60
Other financial liabilities	950.52			950.52
Total	1396.99	3332.40	5035.73	9765.12

C) Market Risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

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



ii) Interest rate risk

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

37. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers', Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements.

38. Income Tax expense

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The Company's tax positions.

(a) Income tax expense

(₹ in Lakhs)		
Particulars	31 March, 2018	31 March, 2017
<u>Current Tax</u>		
Current tax on profits for the year	153.45	-
Earlier year Tax	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense (A)	153.45	-
<u>Less: MAT Credit</u>		
Current Year	153.45	-
Earlier Year	-	-
Total MAT Credit Availed (B)	153.45	-
<u>Deferred Tax</u>		
Decrease (increase) in deferred tax (Net)	(152.15)	(2.80)
Total deferred tax expense /(benefit) (C)	(152.15)	(2.80)
Income tax expense (A-B+C)	(152.15)	(2.80)

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

(₹ in Lakhs)		
Particulars	31 March, 2018	31 March, 2017
Profit before income tax expense	752.61	(8.48)



Tax at the Indian tax rate of 20.38885% (Previous Year Nil)	153.45	-
<u>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</u>		
Tax Paid for Earlier Year	-	-
Less: MAT Credit - Current Year	153.45	-
Earlier Year	-	-
Adjustments for current tax of prior periods	-	-
Deferred Tax (Net)	(152.15)	(2.80)
Income Tax expenses	(152.15)	(2.80)

(c) MAT Credit

As company have option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

39. (a) Figures have been rounded off to nearest rupees in lakhs up to two decimals.

(b) Previous Year Figures have been regrouped/ rearranged whenever considered necessary.

For K.K. Nigam & Co.
Chartered Accountants

K K Nigam
Partner
Membership No. 015067
ICAI FRN : 004547C



For and on behalf of
Powergrid Unchahar Transmission Limited

Ravi P Singh
Chairman
DIN : 05240974

Pramod Kumar
Director
DIN : 0008132119

Place: Lucknow

Date: 23-5-2018

A. K. Shukla
CFO

Shwetank Kumar
Company Secretary

Place : Gurugram

Date :

POWERGRID KALA AMB TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40106DL2013GOI256048)

ANNUAL REPORT (2017-18)

POWERGRID KALA AMB TRANSMISSION LIMITED

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

CIN: U40106DL2013GOI256048

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

On behalf of the Board of Directors, I am delighted to present the 5th Annual Report on performance of the Company during the financial year ending March 31, 2018 together with the Audited Financial Statements.

POWERGRID Kala Amb Transmission Limited (PKATL) (formerly NRSS XXXI (A) Transmission Limited) was acquired /taken over by Power Grid Corporation of India Limited (POWERGRID) on May 12, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for Northern Region system Strengthening Scheme, NRSS-XXXI (Part-A). Consequent to such acquisition, PKATL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILO and Series Compensation is contemplated in the state of Himachal Pradesh. The Company has been granted transmission license by Central Electricity Regulatory Commission (CERC) in September, 2014. The project elements have been progressively commissioned and the entire project has been commissioned on 12th July, 2017.

Financial Performance

Particulars	Rs. In Lakh	
	2017-18	2016-17
Revenue from Operations	3757.66	-
Other Income	18.93	-
Total Income	3776.59	-
Expenses	2714.96	-
Profit before Tax	1061.63	-
Profit after Tax	752.47	-
Earnings Per Equity Share (Rs.)		-
Basic (in Rs.)	4.02	-
Diluted (in Rs.)	4.02	-

Share Capital

The Authorised Share Capital and Paid up Capital as on 31st March, 2018 were 56 Crore. Subsequently the Authorised Share Capital and Subscribed and Paid up Capital was increased to Rs. 61 Crore each.

Dividend and Transfer to Reserves

Your Directors have not recommended any dividend for F.Y. 2017-18.

The Company has transferred an amount of Rs. 37.91 Lakhs to Self-Insurance Reserve and retained Rs. 752.19 Lakh in the Retained Earnings.

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

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

Particulars of Contracts or Arrangements with Related Parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the

- assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure - II** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised four Directors viz. Smt. Seema Gupta, Shri D.K. Valecha, Shri S. Vaithilingam, and Shri. J. P. Singh.

There were some changes in the Board of Directors of the Company during the financial year 2017-18. Shri R.P. Sasmal and Shri Anil Jain ceased to be Directors of the Company w.e.f 28/02/2018 and 21/03/2018 respectively. Smt. Seema Gupta and Shri J. P. Singh were appointed as Additional Director by the Board w.e.f 21/03/2018.

Subsequently, after the end of the Financial Year 2017-18, Shri D.K. Valecha and Shri S. Vaithilingam also ceased to be Directors of the Company w.e.f 30/04/2018 and in their place, Shri D. C. Joshi and Smt. V. Susheela Devi had been appointed as Additional Directors w.e.f. 07/05/2018 who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Smt. Seema Gupta, Shri J. P. Singh, Shri D. C. Joshi and Smt. V. Susheela Devi as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

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

As on 31st March, 2018, Shri S. K. Rai and Mr. Prabhat Singh were Chief Financial Officer and Company Secretary respectively of the Company. Subsequently Mr. Prabhat Singh had resigned as Company Secretary of the Company w.e.f. 31.07.2018 and Mr. Piyush Rameshbhai Bhadreshvara was appointed as Company Secretary of the Company w.e.f. 17.09.2018.

Number of Meetings of the Board

During the financial year ended 31st March, 2018, nine (09) meetings of Board of Directors were held on 03.05.2017, 29.06.2017, 19.09.2017, 29.09.2017, 18.12.2017, 28.12.2017, 15.01.2018, 07.03.2018 and 21.03.2018. The detail of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri R. P. Sasmal*	Chairman	07	07
Shri Anil Jain**	Director	09	08
Shri S. Vaithilingam	Director	09	08
Shri D. K. Valecha	Director	09	05
Smt. Seema Gupta***	Director	01	00
Shri J. P. Singh***	Director	01	00

*Ceased to be a Director w.e.f. 28th February, 2018

**Ceased to be a Director w.e.f. 21st March, 2018

***Appointed as Director w.e.f 21st March, 2018

Committees of the Board

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. As on 31.03.2018, the Audit Committee comprised three members viz. Shri S. Vaithilingam, Shri D.K. Valecha and Shri Anil Jain as its members with Shri S. Vaithilingam as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Smt. V. Susheela Devi, Shri D. C. Joshi and J. P. Singh as its members with Smt. V. Susheela Devi as Chairperson.

During the financial year 2017-18, two (2) meetings of Audit committee were held on 29.06.2017 and 21.03.2018.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted in line with the requirement of the provisions of Section 178 of the Companies Act, 2013. As on 31/03/2018, the NRC comprised three members viz. Shri D.K. Valecha, Shri S. Vaithilingam and Shri Anil Jain as its members with Shri D.K. Valecha as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Nomination & Remuneration Committee was reconstituted to comprise Shri D. C. Joshi, Smt. V. Susheela Devi, and J. P. Singh as its members with Shri D. C. Joshi as Chairman.

During the financial year 2017-18, one (1) meeting of the committee was held on 21.03.2018.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 (said Rule 4) as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PPTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors of the Company

M/s Amit Jai & Co. Chartered Accountants, Jammu Chartered Accountants, have carried out statutory audit for the Financial Year 2017-18.

Further, the Comptroller & Auditors General of India has appointed M/s Amit Jai & Co. Chartered Accountants, Jammu as Statutory Auditors of your Company for the Financial Year 2018-19.

Auditors' Report

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

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 2nd August, 2018 has stated

that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 2nd August, 2018 of NIL comments received from C&AG is placed at ***Annexure-III*** to this report.

Secretarial Audit Report

M/s VAPN & Associates, Practicing Company Secretaries has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2018. The Secretarial Auditor

Report is placed at **Annexure – IV** to this report. The Secretarial Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, is required to spend, atleast 2% of the Average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, PWTL has not satisfied any of the above criteria during the FY 2017-18, the provisions of Section 135 requiring to incur expenditure on CSR were not applicable on the Company for the Financial Year 2017-18.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, Power Grid Corporation of India Limited, the Comptroller & Auditor General of India and the Auditors of the Company.

For and on behalf of
POWERGRID Kala AMB Transmission Limited

Date: 17th September 2018
Place: Gurgaon

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

POWERGRID KALA AMB TRANSMISSION LIMITED**FORM NO. AOC -2**

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

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

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

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

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

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID) [holding company on and from 12.05.2014]
b	Nature of contracts/ arrangements/ transaction	Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) and/or avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs. 300 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.
c	Duration of the contracts/ arrangements/trans action	Part (A) As mutually agreed. Part (B) Commissioning of the project including associated reconciliation activities.
d	Salient terms of the contracts or	Refer (b)

	arrangements or transaction including the value, if any	
e	Date of approval by the Board	31.07.2014 [for Part (A)] , 04.04.2016 [for Part (B)]
f	Amount paid as advances, if any	NIL

For and on behalf of
POWERGRID Kala Amb Transmission Limited

Sd/-

(Seema Gupta)
Chairperson
DIN: **06636330**

Date: 17th September 2018
Place: Gurgaon

POWERGRID KALA AMB TRANSMISSION LIMITED**Form No.MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.REGISTRATION AND OTHER DETAILS:

i.	CIN	U40106DL2013GOI256048
ii.	Registration Date	29 th July,2013
iii.	Name of the Company	POWERGRID Kala Amb Transmission Limited [formerly NRSS XXXI (A) Transmission Limited]
iv.	Category/ Sub-Category of the Company	Company Limited by shares / Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	POWER GRID CORPORATION OF INDIA LIMITED*	L40101DL1989GOI038121	HOLDING COMPANY	100%	2(46)

*HOLDING COMPANY ON & FROM 12.05.2014

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6	6*	0.00	-	6	6*	0.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	1049994	1049994	100.00	0	55999994	55999994	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	1050000	1050000	100	0	56000000	56000000	100.00	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs.1 lakh (ii) Individual shareholders holding nominal share capital	-	-	-	-	-	-	-	-	-

in excess of Rs.1 lakh									
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GrandTotal (A+B+C)	0	1050000	1050000	100	-	56000000	56000000	100	100

Notes:.

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	1049994	100.00	-	55999994	100.00	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.00	-	01	0.00	-	-
3.	Shri Ranjan K. Srivastava jointly with POWERGRID*	01	0.00	-	0	0.00	-	-
4.	Shri Ravi.P. Singh jointly with POWERGRID	01	0.00	-	0	0.00	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID**	01	0.00	-	01	0.00	-	-
6.	Shri D.K. Valecha jointly with POWERGRID	01	0.00	-	01	0.00	-	-

7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.00	-	01	0.00	-	-
8.	Shri K.S.R. Murty jointly with POWERGRID*	0	-	-	01	0.00	-	-
9.	Smt. Seema Gupta jointly with POWERGRID**	0	-	-	01	0.00	-	-
Total		1050000	100	-	56000000	100.00	0	-

*01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 21.03.2018.

**01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 21.03.2018

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1050000	100	1050000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>29.09.2017 – Allotment of 3,00,00,000 Equity Shares to Power Grid Corporation of India Limited.</p> <p>15.01.2018 – Allotment of 1,00,00,000 Equity Shares to Power Grid Corporation of India Limited.</p> <p>21.03.2018 - Allotment of 1,49,50,000 Equity Shares to Power Grid Corporation of India Limited.</p>			
	At the End of the year	56000000	100	56000000	100

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding	-	-	-	-

	during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri R. P. Sasmal, Chairman				
	At the beginning of the year	01*	0.00	01*	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	00*	0.00	00*	0.00
2	Shri D. K. Valecha, Director				
	At the beginning of the year	01*	0.00	01*	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.00	01*	0.00
3	Shri S. Vaithilingam, Director				
	At the beginning of the year	01*	0.00	01*	0.00

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.00	01*	0.00
4	Ms. Seema Gupta, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.00	01*	0.00

*equity share held jointly with POWERGRID.

** 1 Equity share transferred from Shri R. P. Sasmal to Ms. Seema Gupta

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-		-	
i) Principal Amount		20458.62		20458.62
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		526.53		526.53
Total (i+ii+iii)	-	20985.15	-	20985.15
Change in Indebtedness during the financial year	-		-	
- Addition		3777.06		3777.06
- Reduction				
Net Change	-	3777.06	-	3777.06
Indebtedness at the end of the financial year	-		-	
i) Principal Amount				
ii) Interest due but not paid		24684.08		24684.08
iii) Interest accrued but not due		68.75		68.75

		9.38		9.38
Total (i+ii+iii)	-	24762.21	-	24762.21

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: (NOT APPLICABLE)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-

	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
(Not Applicable)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA

Compounding		NIL	NIL	NA	NA
-------------	--	-----	-----	----	----

For and on behalf of
POWERGRID Kala Amb Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 17th September 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF POWERGRID KALA AMB TRANSMISSION
LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of POWERGRID Kala Amb Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of POWERGRID Kala Amb Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Vikram D. Murugara
02.08.18
(Vikram D. Murugara)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 02 August 2018



VAPN & ASSOCIATES.

COMPANY SECRETARIES

Annexure-IV

SECRETARIAL AUDIT REPORT For the Financial Year ended on 31st March, 2018

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

To,
The Members,
Powergrid Kala Amb Transmission Limited
CIN: U40106DL2013GOI256048
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERGRID KALA AMB TRANSMISSION LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **POWERGRID KALA AMB TRANSMISSION LIMITED** for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and applicable provisions of the Companies Act, 1956;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



Delhi Office:
506, 5th Floor, B-8, GD TIL Twin Tower, Netaji
Subhash Place, Pilampura, Delhi-110034
email: prabhakar@vapn.in
Tel No. +91 9810011532

Gurgaon Office:
Tower E-10C, Central Park Resort, Sohna Road
Gurgaon, Haryana-122001
email: vandanasingh.vapn.in
Tel No. +91 9686453475

Hyderabad Office:
26, Lavender, LAX Serene County
Tel: con Nagar Gachibovli, Hyderabad
email: neetu@vapn.in
Tel No. +91 9717585903



VAPN & ASSOCIATES.

COMPANY SECRETARIES

3. The Depository Acts, 1996 and the Regulations and Bye Laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (are not applicable as the Company have not received any investment under FDI or any External Commercial Borrowing nor made any Overseas Direct investment during the financial year under the review)
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review)
 - (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015 are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (are not applicable as the Company have not issued any Equity Share Capital under ESOP Scheme during the financial year under the review)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (are not applicable as the Company do not have any Debt Securities Listed on Stock Exchange(s) during the financial year under the review);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company and dealing with clients; (are not applicable as the Company is not registered as a Registrar





VAPN & ASSOCIATES.

COMPANY SECRETARIES

to issue and Share Transfer Agent during the financial year under the review)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review)

We have also examined compliance with the applicable clauses of the following:-

- (i) The Secretarial Standards with regards to meeting of Board of Directors (SS1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and;
- (ii) The Listing Agreement entered by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (not applicable).

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

We further report that;

- The Board of Directors of the Company is duly constituted with required numbers of Directors including Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Proper notice were given to all the directors of the schedule Board/ Committee and Shareholders Meetings, with agenda along with the detailed notes on agenda, and were circulated at least seven days in advance and a system exists for seeking and obtaining the further information and clarifications, wherever necessary, on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions were carried with the consent of all the Directors.

We further to report that the based on review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the respective Department heads and the Company Secretary, that were duly placed before and taken





VAPN & ASSOCIATES.

COMPANY SECRETARIES

size and operations of the company to monitor and ensure the compliance with applicable laws, rules, regulations and guidelines. Further we observed that all the compliance has been maintained and done properly with respect to requirements under Corporate Laws and other allied Acts applicable on the Company.

For VAPN & Associates
Company Secretaries
Firm Registration No.: P2015DE045500

M. Sethi

CS Niti Sethi

Partner

M.No. 3211

CP No.: 17100



Place: New Delhi

Date: 30.07.2018



VAPN & ASSOCIATES.

COMPANY SECRETARIES

ANNEXURE

To,
The Members,
Powergrid Kela Amb Transmission Limited
CIN: U40106DL2013GOI256048
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi - 110016.

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

Management's Responsibility:

It is the responsibility of the management of the Company to maintain the secretarial records, and to devise proper systems, to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respects to Secretarial Compliances.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where-ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Our examination was limited to the verification of procedures on test basis.





VAPN & ASSOCIATES.

COMPANY SECRETARIES

Disclaimer

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For VAPN & Associates
Company Secretaries
Firm Registration No.: P2015DE045500

M. Sethi

CS Niti Sethi
Partner
M.No. 3211
CP No.: 17100



Place: New Delhi
Date: 30.07.2018



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. :
MOBILE NO. :
E-mail :

0191: 2477761
8717008548, 9419192393
caamitgupta @gmX.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWERGRID KALA AMB TRANSMISSION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of the **POWERGRID KALA AMB TRANSMISSION LIMITED** ("the Company"), which comprise Balance Sheet as at March 31, 2018, the statement of Profit and Loss Account, Statement of Cash Flows and Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Financial Statements).

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. - While conducting the, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether





AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. :
MOBILE NO. :
E-mail :

0191: 2477761
8717008549, 9419192393
caamitgupta@gmail.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit/Loss and its cash flows for the year ended on that date.

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 of India in terms of Section 143 (11) of the Companies Act 2013, we give in the 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' a statement on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report to the extent applicable 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 Financial Statements dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the Directors as on 31 March 2018, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.





AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. : 0191: 2477761
MOBILE NO. : 8717008648, 9419192393
E-mail : caamitgupta@gmx.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure '3';
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) There are no material foreseeable losses on long term contracts requiring Company to make provision, as required under the applicable law or accounting standards; and
 - (ii) There are no due amounts to be transferred to the Investor Education and Protection Fund by the Company.

For Amit Jai & Co

Chartered Accountants
Firm Registration No : 021613N

Amit Gupta

Partner

Membership No. 098478

Place: Jammu

Date: 22.05.2018



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. :
MOBILE NO. :
E-mail :

0191 2477761
8717008548, 9419192383
caamitgupta@gmx.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

Annexure '1'

**Annexure '1' referred to in our Independent Auditors' Report dated 22-05-2018
Issued to the members of Powergrid Kala Amb Transmission Limited**

**Statement on the matters specified in Paragraphs 3 & 4 of the
Companies (Auditor's Report) Order, 2016**

.....
Based on the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) In respect of fixed assets:
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the company has only immovable property of land as at the Balance sheet date and the title of the same is in the name of the company.
- (ii) According to the information and explanations given to us, the nature of the business of the company did not require it to have inventories. Accordingly clause 3(ii) of the Order is not applicable to the company.
- (iii) As explained to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly clauses 3(iii) (a) to 3(iii) (c) are not applicable to the company.
- (iv) As explained to us, the company does not have loans, investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013 and accordingly clause 3(iv) of the Order is not applicable to the company.
- (v) According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) Provisions relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable at present as this was first year of the Company after commencement of commercial operations and accordingly clause 3(vi) of the Order is not applicable to the company.



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. :
MOBILE NO. :
E-mail :

0191-2477761
8717008548, 9419192393
caamitgupta@gmail.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

(vii) In respect of statutory dues:

- (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities to the extent applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable;
- (b) As explained there are no outstanding dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders. Accordingly clause 3(viii) of the Order is not applicable to the company.
- (ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans except issue of Shares to holding company and inter corporate borrowings from the holding company and the loan so received from the holding company has been applied for the purposes for which it is received.
- (x) According to the information and explanations given to us, and based on specific audit procedure adopted for the purpose of reporting true and fair view of financial statements, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As explained to us, the company has not paid or provided for managerial remuneration for the year under review. The key managerial personnel (KMP) include CEO, CFO, Company Secretary being employees of the holding company have been deputed on secondment basis and other employees (wherever required) have been deputed on part-time basis. No managerial remuneration has been paid to such representatives by the Company except costs allocated by the holding company based on time spent. Accordingly provisions of section 197 of the Companies Act, 2013 are not applicable and also clause 3(xi) of the Order is not applicable to the company.
- (xii) The company is not a Nidhi Company attracting Nidhi Rules, 2014. Accordingly, clause 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us, and based on specific audit procedures, we report that all transactions with the related parties are in compliance with sections 177 and 186 of Companies Act, 2013 and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards and the Companies Act, 2013.



AMIT JAI & CO
CHARTERED ACCOUNTANTS

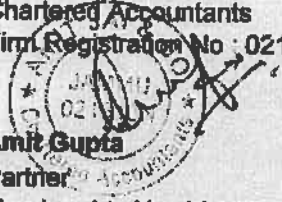
PH. NO. :
MOBILE NO. :
E-mail :

0191-2477761
8717006548, 9419192393
caamitgupta@gmail.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

- (xiv) According to the information and explanations given to us and the records of the company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore provisions of section 42 of the Companies Act, 2013 are not applicable and as also clause 3(xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanations given to us and the records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of section 192 of the Companies Act, 2013 are not applicable. Accordingly clause 3(xv) of the Order 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 and hence clause 3(xvi) of the Order is not applicable to the company.

For Amit Jai & Co

Chartered Accountants
Firm Registration No : 021613N


Amit Gupta
Partner
Membership No. 098478
Place: Jammu
Date: 22.05.2018



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. :
MOBILE NO. :
E-mail :

0191: 2477761
8717008548, 9419192393
caamitgupta @gmX.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

Annexure '2'

Annexure '2' referred to in our Independent Auditors' Report dated 22-05-2018

Statement on the directions issued by the Comptroller and Auditor General of India

.....

We have verified various documents and other relevant records and also on the basis of information and explanations provided to us, by the management of Powergrid Kala Amb Transmission Limited to ascertain whether the company has complied with Section 143(5) of the Companies Act, 2013 and we give our report against each specific direction as under:

Sl.	Direction	Auditor's Report
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of Freehold and Leasehold Land for which title/lease deeds are not available.	Yes the Company has clear title for freehold land.
2	Whether there are any cases of waiver/write-offs of debts/loans/interest, etc. If yes, the reasons therefor and amount involved.	We have not come across any such cases of waiver/write off of debts/loans/interest etc. during the year.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from Govt. or other authorities.	In respect of inventories lying with third parties, the Company has maintained proper records and we have verified the Same. As per information and explanation provided by the Company, none of the assets have been received as gift from Govt. or other authorities.

For Amit Jai & Co
Chartered Accountants
FRN No. 021613N


Amit Gupta
Partner
Membership No. 098478

Place Jammu
Date: 22.05.2018



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. : 0191: 2477761
MOBILE NO. : 8717008548, 9419192393
E-mail : caamitgupta@gmx.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of Powergrid Kala Amb Transmission Limited for the year ended March 31, 2018 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For Amit Jai & Co

Chartered Accountants
Firm Registration No : 021613N

Amit Gupta
Partner
Membership No. 098478
Place: Jammu
Date 22.05.2018



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. : 0191: 2477761
MOBILE NO. : 8717006548, 9419192393
E-mail : casmitgupta@gmx.com
448B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

Annexure '3'

Annexure '3' referred to in our Independent Auditors' Report dated 22-05-2018

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

.....
We have audited the internal financial controls over financial reporting of Powergrid Kala Amb Transmission Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors' Responsibility

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

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



AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. : 0191: 2477781
MOBILE NO. : 8717008548, 9419192393
E-mail : caamitgupta@gmail.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

3. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Amit-Jai & Co

Chartered Accountants

Firm Registration No. 021613N

Amit Gupta

Partner

Membership No. 098478

Place: Jammu

Date : 22.05.2018

Balance Sheet as at 31st March, 2018

(₹ in Lakh)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	30,385.65	299.89
Capital work-in-progress	5	-	20,852.10
Other Intangible assets	6	40.06	-
Other non-current assets	7	262.98	1,494.86
		30,688.69	22,646.85
Current assets			
Financial Assets			
Trade Receivables	8	2,314.33	-
Cash and cash equivalents	9	1.00	3.30
Other current financial assets	10	442.92	52.58
Other current assets	11	-	88.25
		2,758.25	144.13
		33,446.94	22,790.98
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	5,600.00	105.00
Other Equity	13	752.19	(0.28)
		6,352.19	104.72
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	14	24,684.08	20,458.62
Other non-current financial liability	15	-	718.13
Deferred Tax liabilities	16	309.16	-
		24,993.24	21,176.75
Current liabilities			
Financial Liabilities			
Other current financial liability	17	2,096.67	1,384.83
Other current liabilities	18	4.84	124.68
		2,101.51	1,509.51
		33,446.94	22,790.98
Total Equity and Liabilities			

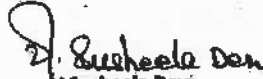
The accompanying notes (1 to 42) form the integral part of financial statements.

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

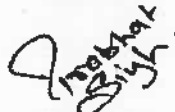
(CA Amit Jai & Co)
Partner
M. No. 098473
Place: Jammu
Date: 22.05.18

For and on behalf of the Board of Directors


Seema Gupta
Chairman
DIN: 06636330


V. Susheela Devi
Director
DIN: 07828528


S K Rai
CFO


Prabhat Singh
Company Secretary

Place: Gurnugram
Date: 22.05.2018

POWERGRID KALA AMB TRANSMISSION LIMITED

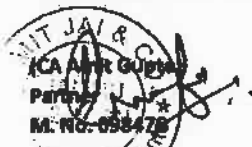
Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations	19	3,757.66	-
Other Income	20	18.93	-
Total Income		3,776.59	-
EXPENSES			
Employee benefits expense		-	-
Finance costs	21	1,381.49	-
Depreciation and amortization expense	22	1,167.10	-
Other expenses	23	166.37	-
Total expenses		2,714.96	-
Profit/(loss) before tax		1,061.63	-
Tax expense:			
Current tax		226.57	-
MAT Credit		(226.57)	-
Deferred tax liability		309.16	-
		309.16	-
Profit (Loss) for the period		752.47	-
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		752.47	-
Earnings per equity share (Par Value ₹ 10/- each)			
Basic (in ₹)		4.02	-
Diluted (in ₹)		4.02	-

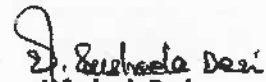
The accompanying notes (1 to 42) form the Integral part of financial statements.

As per our report of even date
For Amit Jain & Co
Firm Regn. No. 021613N


Place: Jamnalu
Date: 22.05.2018

For and on behalf of the Board of Directors


Seema Gupta
Chairman
DIN: 06636390


V. Sushanta Devi
Director
DIN: 07828528


S.K. Rai
CFO


Prabhat Singh
Company Secretary

Place: Gurugram
Date: 22.05.2018

POWERGRID KALA AMB TRANSMISSION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

(' in Lakh)

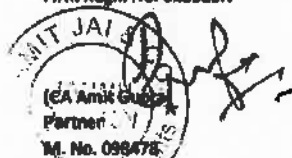
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash Flow from Operating Activities:		
Net profit/Loss before tax	1,061.63	-
Adjustment for:		
Depreciation & amortization expenses	1,167.10	-
Finance costs	1,381.49	-
	2,548.59	-
Operating profit before Changes in Assets and Liabilities	3,610.22	-
Adjustments for change in assets and liability		
Change in non current assets	79.07	644.36
Change in current financial assets	(2,704.67)	(52.58)
Change in other current assets	88.25	(88.18)
Change in other Non-Current Financial Liabilities	(718.13)	718.13
Change in other Current Financial Liabilities	1,160.24	1,179.80
Change in other Current Liabilities	(119.84)	100.60
	(2,215.08)	2,502.13
Cash generated from operations	1,395.14	2,502.13
Less : Direct taxes paid	(250.80)	-
Net cash from operating activities	1,144.34	2,502.13
B. Cash Flow from Investing Activities:		
- Property Plant & Equipment and Capital Work In Progress	(10,440.82)	(20,026.60)
- Advances for Capital Expenditure	1,403.61	-
Net cash used in investing activities.	(9,037.21)	(20,026.60)
C. Cash Flow from Financing Activities:		
- Share capital	5,495.00	100.00
- Loan Raised during the Year	4,225.46	17,427.57
- Interest and finance cost paid	(1,829.89)	-
Net cash from financing activities	7,890.57	17,527.57
D. Net change in cash & cash equivalents (A+B+C)	(2.30)	3.10
E. Cash and Cash Equivalents at the beginning of the period	3.30	0.20
F. Cash and Cash Equivalents at the end of the period (D+E)(Note no 9)	1.00	3.30

The accompanying notes (1 to 42) form the integral part of financial statements.

Note :

- i) Cash and Cash equivalents consist of cheques, Drafts, Stamps in Hands, balances with banks and deposits with original maturity of upto three months.
ii) Previous year figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date
For Amit Jain & Co
Firm Regn. No. 021613N



Place: Jammu
Date: 22.05.2018

For and on behalf of the Board of Directors

Seema Gupta
Chairman
DIN: 06636330

Sushela Devi
Director
DIN: 07828528

S K Rai
CFO

Prabhat Singh
Company Secretary

Place: Ganganagar
Date: 22.05.2018

STATEMENT OF CHANGES IN EQUITY

POWERGRID KALA AMB TRANSMISSION LIMITED

Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital

	(₹ in Lakh)
As at 1st April, 2016	5.00
Changes in equity share capital	100.00
As at 31st March, 2017	105.00
Changes in equity share capital	5,495.00
As at 31st March, 2018	5,600.00

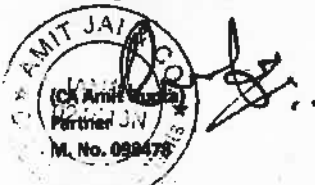
B. Other Equity

	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2016		(0.28)	(0.28)
Total Comprehensive Income for the year		-	-
Balance at 1st April, 2017		(0.28)	(0.28)
Total Comprehensive Income for the year		752.47	752.47
Transfer to Self Insurance Reserve	37.91	(37.91)	-
Balance at 31st March, 2018	37.91	714.28	752.19

The accompanying notes (1 to 42) form the integral part of financial statements.

Refer to Note No. 13 for nature and movement of reserve and surplus

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N



Place: Jammu
Date: 22.05.2018

For and on behalf of the Board of Directors


Seema Gupta
Chairman
DIN: 06636330


V. Susheela Devi
Director
DIN: 07828528


S.K. Rai
CFO


Prabhat Singh
Company Secretary

Place: Gurnugram
Date: 22.05.2018

POWERGRID KALA AMB TRANSMISSION LIMITED

Notes to Financial Statements

Note 1. Corporate and General Information

Powergrid Kala Amb Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016. The company is engaged in the business of power transmission system network, construction, operation and maintenance of transmission lines and other related allied activities.

The financial statement of the company for the year ended March 31, 2018 were approved for issue by the Board of Directors on 22nd May, 2018.

Note 2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at note 2.11.

(iii) Functional and Presentation Currency

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



iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Initial Recognition and measurement

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.



Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.



Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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

2.4 Intangible Assets and Intangible Assets under development

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software(which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

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

2.5 Depreciation / Amortization



Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by CERC tariff regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with nil residual value.



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

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents



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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) Finance lease

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

b) Operating lease

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



For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when



the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate(EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.



The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for Impairment loss.



However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.



Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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

2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and the Long Term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.



Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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



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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriated of Current Year Profit to mitigate future losses from un-insured risk and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Statement of Cash Flows

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



Note 3. Critical estimates and Judgments

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

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

A handwritten signature, possibly 'Q', is written over a circular stamp. The stamp contains some text, but it is mostly illegible due to the signature and the quality of the scan.

POWERGRID KALA AMB TRANSMISSION LIMITED
Note 4 / Property, Plant and Equipment

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	A/M:
Freehold Land	299.38	-	-	-	299.38	-	-	-	-	-	299.38	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
a) Sub-Stations & Office	-	1,457.76	-	-	1,457.76	-	35.08	-	-	35.08	1,422.67	-
Water Supply Drainage & Sewerage	-	88.25	-	-	88.25	-	0.16	-	-	0.16	88.09	-
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
a) Transmission	-	953.06	-	-	953.06	-	36.26	-	-	36.26	916.80	-
b) Substation	-	28,707.58	-	-	28,707.58	-	1,092.18	-	-	1,092.18	27,615.41	-
Furniture Fixtures	-	16.92	-	-	16.92	-	0.67	-	-	0.67	16.25	-
Office equipment	0.43	0.76	-	-	1.18	-	0.07	-	-	0.07	1.11	-
Electronic Data Processing & Word Processing Machines	0.13	-	-	-	0.13	0.04	0.04	-	-	0.08	0.05	-
Electrical Installation	-	26.92	-	-	26.92	-	1.02	-	-	1.02	25.90	-
Grand Total	299.94	31251.24	-	-	31,551.18	0.04	1165.48	-	-	1165.52	30385.65	
Previous Year Total	299.38	0.56	-	-	299.94	-	0.04	-	-	0.04	299.89	

The company owns 4.079 hectare (4.079 hectare as on 31.03.2017) of freehold land amounting to ₹ 299.38 lakh based on available documentation.

POWERGRID KALA AMB TRANSMISSION LIMITED
Note 4 / Property, Plant and Equipment

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April, 2016	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st Mar, 2017	As at 31st March, 2017	A/M:
Freehold Land	299.38	-	-	-	299.38	-	-	-	-	-	299.38	-
Office equipment	-	0.43	-	-	0.43	-	-	-	-	-	0.42	-
Electronic Data Processing & Word Processing Machines	-	0.13	-	-	0.13	-	0.04	-	-	0.04	0.09	-
Total	299.38	0.56	-	-	299.94	-	0.04	-	-	0.04	299.89	

The company owns 4.079 hectare (4.079 hectare as on 31.03.2016) of freehold land amounting to ₹ 299.38 lakh based on available documentation.



POWERGRID KALA AMB TRANSMISSION LIMITED
Note 5 / Capital work in progress

						(₹ in Lakh)
Particulars	As at 1st April,2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2018	As at 31st March,2017
Land						
Development of land	-	-	-	-	-	-
Plant & Equipments (including associated civil works)						
a) Transmission	159.77	699.75	-	859.52	-	159.77
b) Sub-Station	1,473.94	25,814.77	-	27,288.71	-	1,473.94
Expenditure pending allocation						
Expenditure during construction period(net)(Note 24)	2,077.44	960.63	-	3,038.07	-	2,077.44
Construction Stores (Net of Provision)	17,140.95	7,053.24	24,194.19	-	-	17,140.95
Grand Total	20,852.10	34,528.39	24,194.19	31,186.30	-	20,852.10

Note 5/Capital work in progress

						(₹ in Lakh)
Particulars	As at 1st April,2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2017	As at 31st March,2016
Land						
Development of land	102.35	-	102.35	-	-	102.35
Plant & Equipments (Including associated civil works)						
a) Transmission	-	159.77	-	-	159.77	-
b) Sub-Station	98.83	1,473.94	98.83	-	1,473.94	98.83
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	3.13	-	3.13	-	-	3.13
ii) Expenditure during construction period(net)(Note 24)	621.70	1,455.74	-	-	2,077.44	621.70
Construction Stores (Net of Provision)	-	17,140.95	-	-	17,140.95	-
Grand Total	826.01	20,230.40	204.31	-	20,852.10	826.01



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 5/Capital work in progress (Details of Construction stores)**

(At cost)

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Construction Stores		
Conductors	-	142.25
Other Line Materials	-	93.87
Sub-Station Equipments	-	16,904.83
TOTAL	-	17,140.95
Construction Stores include:		
Material with Contractors		
Conductors	-	142.25
Other Line Materials	-	93.87
Sub-Station Equipments	-	16,904.83
Total	-	17,140.95
Grand total	-	17,140.95



POWERGRID KALA AMB TRANSMISSION LIMITED

Note 6 / Intangible Assets

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	/ M
Electronic Data Processing Software	-	0.71	-	-	0.71	-	0.06	-	-	0.06	0.65	
Right of Way Afforestation Expenses	-	40.97	-	-	40.97	-	1.56	-	-	1.56	39.41	
Grand Total	-	41.68	-	-	41.68	-	1.62	-	-	1.62	40.06	
Previous Year Total	-	-	-	-	-	-	-	-	-	-	-	



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 7 / Other non-current Assets****(Unsecured considered good unless otherwise stated)**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Advances for Capital Expenditure		
Against bank guarantees	11.86	1,415.47
Advances recoverable in cash or in kind or for value to be received		
Balance with Customs Port Trust and other authorities	0.32	79.39
Advance tax and Tax deducted at source	250.80	
Less: Provision for taxation	<u>226.57</u>	24.23
MAT Credit Entitlement	226.57	-
TOTAL	<u>262.98</u>	<u>1,494.86</u>



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 8 / Trade Receivables**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Trade receivables		
Unsecured Considered good	2,314.33	-
TOTAL	2,314.33	-



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 9 / Cash and Cash Equivalents**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Balance with banks-		
-In Current accounts	1.00	3.30
Total	1.00	3.30



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 10 / Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Unbilled Debtors		
Others *	442.92	
Total		52.58
	442.92	52.58

Note

Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹ 442.92 lakhs (31st March, 2017 ₹ Nil) billed to beneficiaries in the month of April of subsequent financial year.

* Others includes amount recoverable from contractors



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 11 / Other current Assets****(Unsecured considered good unless otherwise stated)**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in cash or in kind or for value to be received		
Balance with Customs Port Trust and other authorities	-	88.25
Total	-	88.25



POWERGRID KALA AMB TRANSMISSION LIMITED

Note 12 / Equity Share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
56000000 (Previous Year 5000000) equity shares of ₹ 10/- each at par	5,600.00	500.00
Issued, subscribed and paid up		
56000000 (Previous Year 1050000) equity shares of ₹ 10/-each at par fully paid up	5,600.00	105.00
Total	5,600.00	105.00
Further Notes:		

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the year	1050000	105.00	50000	5.00
Shares Issued during the year	54950000	5,495.00	1000000	100.00
Shares outstanding at the end of the year	56000000	5,600.00	1050000	105.00

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

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares #	% of holding	No. of Shares #	% of holding
Power Grid Corporation of India Ltd.	56000000	100%	1050000	100%

Out of 56000000 Equity Shares (Previous Year 1050000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 13 / Other Equity**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
Self Insurance Reserve	37.91	
Retained Earnings		
As per last balance sheet	(0.28)	(0.28)
Add : Additions		
Profit after tax as per Statement of Profit & Loss	752.47	
Less: Appropriations		
Self Insurance Reserve	37.91	
Closing Balance	714.28	(0.28)
TOTAL	752.19	(0.28)



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 14 / Borrowings**

Description	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	24,684.08	20,458.62
TOTAL	24,684.08	20,458.62

Note:

Inter Corporate loan is provided by the holding company Power Grid Corporation of India Ltd on cost to cost basis (Interest rate varying from 7.20% to 8.40%) & converted into Single rate of interest at 7.7057% wef 30.03.2018



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 15 / Other Non-Current Financial Liabilities**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Other liabilities		
Deposits / Retention money from contractors and others.	-	718.13
Total	-	718.13

Note:-

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" given in Note 27



POWERGRID KALA AMB TRANSMISSION LIMITED

Note 16 / Deferred Tax Liabilities (Net)

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Assets (A)		
On Net Loss carry forward	2,510.27	
Deferred Tax Liability (B)		
Depreciation difference in Property Plant and Equipment(Net)	2,819.43	
Deferred Tax Liability (Net)	309.16	-

Movement in Deferred Tax Asset

Particulars	(₹ in Lakh)
	Net loss carry forward
As at 1st April 2017	
Charged /Credited to P&L	2,510.27
As at 31st March 2018	2,510.27

Movement in Deferred Tax Liability

Particulars	(₹ in Lakh)
	Property, Plant & Equipment and Investment property
As at 1st April 2017	
Charged /Credited to P&L	2,819.43
As at 31st March 2018	2,819.43



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 17 / Other Current Financial Liability****(₹ in Lakh)**

Particulars	As at 31st March,2018	As at 31st March,2017
A) Interest accrued but not due on borrowings from		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	9.38	526.53
B) Others		
Dues for capital expenditure	572.12	857.10
Deposits/Retention money from contractors and others.	1,406.74	0.20
Payable to Power Grid Corporation of India Ltd (Holding Company)	108.43	
Other Liabilities		1.00
	<u>2,087.29</u>	<u>858.30</u>
Total	<u>2,096.67</u>	<u>1,384.83</u>

Note:

Discloser with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 27



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 18 / Other current liabilities**

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory dues	4.84	124.68
Total	4.84	124.68

68.75



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 19/Revenue from operations****(₹ in Lakh)**

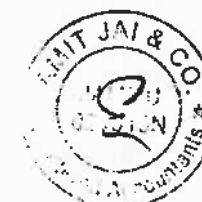
Particulars	For the year ended 31st	For the year ended
	March,2018	31st March,2017
Sales of services		
Transmission Charges	3,757.66	
Total	3,757.66	



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 20 / Other income****(₹ in Lakh)**

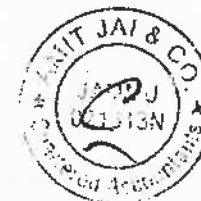
Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Miscellaneous income*	18.93	
Fair Value gain on initial recognition of Financial liability		94.61
Total	18.93	94.61
Less:Income transferred to expenditure during construction(Net)-Note 24		94.61
TOTAL	18.93	-

*Miscellaneous Income represents Sale of Scrap



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 21 / Finance costs****(₹ in Lakh)**

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
i) Interest and finance charges on financial liabilities at amortised cost		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	1,745.17	595.04
ii) Unwinding of discount on financial liabilities	93.06	1.56
Total	1,838.23	596.60
Less: Transferred to Expenditure during Construction(Net)-Note 24	456.74	596.60
TOTAL	1,381.49	-



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 22 / Depreciation and amortization expense**

Particulars	(₹ in Lakh)	
	For the year ended 31st March,2018	For the year ended 31st March,2017
Depreciation of Property,Plant and Equipment	1,165.48	0.04
Amortization of Intangible assets	1.62	
Total	1,167.10	0.04
Less: Transferred to Expenditure During Construction(Net)-Note 24		0.04
TOTAL	1,167.10	-



POWERGRID KALA AMB TRANSMISSION LIMITED**Note 23 / Other expenses**

Particulars	(₹ in Lakh)	
	For the year ended 31st March,2018	For the year ended 31st March,2017
Repair & Maintenance (Building)	2.51	
System and Market Operation Charges	0.01	
Power charges	31.70	14.68
Water Charges	0.15	
Professional charges(Including TA/DA)	463.58	933.21
Consultancy Expenses (Including TA/DA)	28.40	
Statutory Audit Fees	0.74	0.40
Statutory Auditor's out of pocket expenses	0.18	
Printing and stationery	0.02	
Brokerage & Commission	0.34	
Capital Exp on asset on owned by company	78.54	
CERC petition & Other charges	15.00	
Miscellaneous expenses	-	0.42
Rates and taxes	49.00	5.00
License Fees to DOT	0.10	
Total	670.27	953.71
Less:Transferred to Expenditure during Construction(Net)-		
Note 24	503.90	953.71
TOTAL	166.37	-



POWERGRID KALA AMB TRANSMISSION LIMITED
Note 24 / Expenditure during Construction (Net)

Particulars	(₹ in Lakh)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Other Expenses		
Power charges		
Professional charges (Including TA/DA)	15.14	14.68
Payment to Auditors	450.22	933.21
Printing and stationery	0.18	0.40
Miscellaneous expenses	0.02	
Rates and taxes	11.34	0.42
Total (A)	27.00	5.00
B. Depreciation/Amortisation	503.90	953.71
C. Finance Costs		0.04
Interest on Loan from Power Grid Corporation of India Ltd. (Holding Co.)		
Unwinding of discount on financial liabilities	456.74	595.04
Total (C)		1.56
D. Less: Other Income	456.74	596.60
Fair Value gain on initial recognition of Financial liability		94.61
Total (D)		94.61
GRAND TOTAL (A+B+C-D)	960.63	1,455.74



- 25: Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-7) & Dues for Capital Expenditure Shown under Other Non-Current Financial Liabilities (Note-15) include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis and Balance Confirmation are carried out on balances as on 31st March 2018.

In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.

- 26: FERV Loss/-Gain of NIL (Previous Year NIL) has been recognized in the Statement of Profit and Loss.

- 27: Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

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



28: Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency		(₹ in Lakhs)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Payables/ Deposits and Retention Money	USD	Nil	Nil	Nil	Nil
Unexecuted Amount of contracts remaining to be executed	USD	Nil	Nil	Nil	Nil

29: Employee Benefit Obligations

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

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

30: Borrowing Cost Capitalized during the year ₹ 456.74 Lakh(Previous Year ₹ 596.60 Lakh) in the respective carrying amount of Property, Plant & Equipment/Capital Work in Progress(CWIP) as per Ind AS 27 "Borrowing Costs"

31: Fair Value Measurement

(₹ in Lakhs)

Financial Instruments by Category	31 st March 2018		31 st March 2017	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial Assets				
Trade Receivable		2,314.33		-
Cash & Cash Equivalents	-	1.00	-	3.30
Other Financial Assets	-	442.92	-	52.58
Total Financial Assets	-	2758.25	-	55.88
Financial Liabilities				
Borrowings	-	24,693.46	-	20,985.15
Other Financial Liabilities (Current & Non-Current)	-	2,087.29	-	1,576.43
Total Financial Liabilities	-	26,780.75	-	22,561.58

(i) Fair Value Hierarchy

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

(₹ in Lakhs)

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	Level 1	Level 2	Level 3	Total
As at 31st March 2018				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	-	24,072.65		24,072.65
Other Financial Liabilities	-	2,087.29		2,087.29
Total Financial Liabilities	-	26,159.94		26,159.94

(₹ in Lakhs)				
Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	Level 1	Level 2	Level 3	Total
As at 31 st March 2017				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				-
Borrowings	-	20,690.53	-	20,690.53
Other Financial Liabilities	-	1,576.43	-	1,576.43
Total Financial Liabilities	-	22,266.96	-	22,266.96

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2



iii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost

(₹ In Lakhs)

	31 st March 2018		31 st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	2,314.33	2,314.33	-	-
Cash & Cash Equivalent	1.00	1.00	3.30	3.30
Other Current Financial Assets	442.92	442.92	52.58	52.58
Total Financial Assets	2,758.25	2,758.25	55.88	55.88
Financial Liabilities				
Borrowings	24,693.46	24,072.65	20,985.15	20,690.53
Other Financial Liabilities	2,087.29	2,087.29	1,576.43	1,576.43
Total Financial Liabilities	26,780.75	26,159.94	22,561.58	22,266.96

The carrying amounts of Trade Payables, cash and cash equivalents, other current Financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

32: Related party Transactions

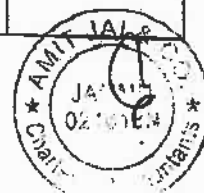
(a) Holding Company

Name of entity	Place of business/country of Incorporation/Relationship	Proportion of Ownership Interest	
		31 st Mar 2018 Holding Company	31 st Mar 2017 Holding Company
Power Grid Corporation of India Limited	India- Holding Company	100%	100%



(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31st Mar 2018	31st Mar 2017
PowergridVizag Transmission Limited	India Fellow Subsidiary	NA	NA
Powergrid NM Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridUnchahar Transmission Limited	India Fellow Subsidiary	NA	NA
Powergrid Jabalpur Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridWarora Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridParli Transmission Limited	India Fellow Subsidiary	NA	NA
Powergrid Southern Interconnector Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridVemagiri Transmission Limited	India Fellow Subsidiary	NA	NA
Grid Conductors Limited*	India Fellow Subsidiary	NA	NA
PowegridMedinipurJeerat Transmission Limited [erstwhile MedinipurJeerat Transmission Limited]	India Fellow Subsidiary	NA	NA
PowergridMithilanchal Transmission Limited** [erstwhile ERSS XXI Transmission Limited]	India Fellow Subsidiary	NA	NA
WRNR Power Transmission Limited***	India Fellow Subsidiary	NA	NA



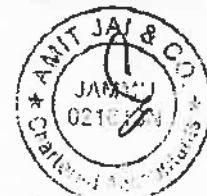
*Pursuant to the application dated 13th June 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary.

** 100% equity in PowergridMithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018 by Holding Company.

** *100% equity in WRNR Power Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018 by Holding Company

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation/ Relationship	Proportion of Ownership Interest	
		31 st Mar 2018	31 st Mar 2017
Powerlinks Transmission Limited	India JV of Holding	NA	NA
Torrent Power Grid Limited	India JV of Holding	NA	NA
JaypeePowergrid Limited	India JV of Holding	NA	NA
Parbatikoldam Transmission Company Limited	India JV of Holding	NA	NA
Teestavalley Power Transmission Limited	India JV of Holding	NA	NA
North East Transmission Company Limited	India JV of Holding	NA	NA
National High Power Test Laboratory Private Limited	India JV of Holding	NA	NA
Bihar Grid Company Limited	India JV of Holding	NA	NA
KalingaVidyutPrasaran Nigam Private Limited*	India JV of Holding	NA	NA
Cross Border Power Transmission Company Limited	India JV of Holding	NA	NA
RINL Powergrid TLT Private Limited	India JV of Holding	NA	NA
Power Transmission Company Nepal Ltd	Nepal JV of Holding	NA	NA



* POWERGRID's Board of directors in its meeting held on 16th August 2017 accorded approval for initiating procedure for winding up/ removal of the name of KalingaVidyutPrasaran Nigam Private Limited under fast track exit mode of registrar of companies (ROC).

(d) Key Management Personnel

Sl. No.	Name	Designation
1	Smt Seema Gupta (wef 21/03/2018)	Chairman
2	Shri D K Valecha*	Director
3	Shri J P Singh (wef 21/03/2018)	Director
4	Shri S Vaithilingam*	Director
5	Shri Anil Jain (Till 21/03/2018)	Director
6	Shri. Anil Sharma	CEO
7	Shri S K Rai (wef 21/03/2018)	CFO
8	Prabhat Singh (wef 21/03/2018)	Company Secretary

(*Ceased to be director on 30/04/2018)

(e) Transactions with related parties

The following transactions occurred with related parties:

Particulars	(₹ in Lakh)	
	31 st March, 2018	31 st March, 2017
Services received by the Company		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	418.76 (Excluding Taxes)	933.21
Total	418.76	933.21

(f) Equity

(₹ in Lakhs)

Equity from Holding Company	31 st March, 2018	31 st March, 2017
Power Grid Corporation of India Ltd.	5495.00	100.00
Total	5495.00	100.00



(g) Interest on Loan

(₹ in Lakh)

Particulars	31 st March, 2018	31 st March, 2017
Holding Company		
Power Grid Corporation of India Ltd.	1745.17	595.04
Total	1745.17	595.04

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

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

(₹ in Lakh)

Particulars	31 st March, 2018	31 st March, 2017
Payables		
Holding Company		
Power Grid Corporation of India Ltd	108.43	1383.23
Total payables to related parties	108.43	1383.23

(i) Loans to/from related parties

(₹ in Lakh)

Loans from Holding Company	31 st March, 2018	31 st March, 2017
Power Grid Corporation of India Ltd	24684.08	20458.62
Total	24684.08	20458.62

(j) Interest accrued on Loan

(₹ in Lakh)

Particulars	31 st March, 2018	31 st March, 2017
Holding Company		
Power Grid Corporation of India Ltd	9.38	526.53
Total	9.38	526.53

33:Segment Information

a) Business Segment

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

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



34:Capital and other Commitment

Particulars	(₹ in Lakh)	
	As at 31 st Mar 18	As at 31 st Mar 17
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	644.13	9342.00

35:Contingent Liabilities and Contingent Assets

There is no Contingent Liability/Assets as on 31st March 2018(Nil as on 31st March 2017))

36:Capital management**a) Risk Management**

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

b) Dividends

No dividend has been declared by the company in the previous year and current year.

37: Income Tax Expenses

This note provides an analysis of the Company's Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to The company's Tax Positions.



(₹ in Lakhs)

Particulars	31 st March 2018	31 st March 2017
(a) Income Tax Expense		
<u>Current Tax</u>		
Current Tax on Profits for the year	226.57	-
Total Current Tax Expense	226.57	
MAT Credit Entitlement	(226.57)	
<u>Deferred Tax</u>		
Decrease (Increase) in deferred tax assets	(2,510.27)	
(Decrease) Increase in deferred tax liability	2,819.43	
Total Deferred Tax Expense/ benefit	309.16	
Income tax expense	309.16	-

(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:

(₹ in Lakhs)

Particulars	31 st March 2018	31 st March 2017
Profit before Income Tax Expense	1,061.63	-
Tax at the Indian tax rate of 21.3416%	226.57	-
MAT Credit Entitlement	(226.57)	-
Deferred Tax Liability/ (Asset)	309.16	-
Income Tax Expense	309.16	-

As company has option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

38:Earnings per share

(in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company from continuing operations	31 st March, 2018	31 st March, 2017



Basic and diluted earnings per share	4.02	NA
--------------------------------------	------	----

(₹ in Lakhs)

(b)Reconciliation of earnings used in calculating earnings per share	31st March, 2018	31st March, 2017
Earnings attributable to the equity holders of the company	752.47	NA

(No of shares)

(c) Weighted average number of shares used as the denominator	31 st March, 2018	31 st March, 2017
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	18706028	880137
Adjustments for calculation of diluted earnings per share	NA	NA
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	18706028	880137

39: Financial Risk Management

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

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

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

- Credit risk,
- Liquidity risk,
- Market risk.



A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

• Trade Receivables

Trade receivable ₹ 2314.33 Lakh as on 31st March 2018(Previous Year Nil)

• Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹1.00 Lakh (Previous Year ₹ 3.30 Lakh). The cash and cash equivalents are held with public sector banks and do not have any significant credit risk.

(i) Exposure to credit risk

(₹ in Lakh)

Particulars	31 st March 2018	31 st March 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	1.00	3.30
Other current financial assets	442.92	52.58
Total	443.92	55.87
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	2314.33	Nil



(ii) Provision for Expected Credit Losses

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required

B) Liquidity risk

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

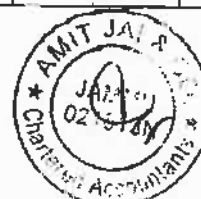
(ii) Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Borrowings (including interest outflows)	1902.08	20343.89	11829.25	34075.22
Other financial liabilities	2087.29			2087.29
Total	3989.37	20343.89	11829.25	36162.51
31 March 2017				
Borrowings (including interest outflows)	1457.07	16925.01	14240.37	32622.46
Other financial liabilities	858.30	718.13	-	1576.43
Total	2315.38	17643.14	14240.37	34198.88



C) Market risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

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

ii) Interest rate risk

The Company is not exposed to any interest rate risk as it does not have any long term loans and borrowings with floating interest rates.

40:Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115, 'Revenue from Contracts with Customer'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers' Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and services by entity. The company is evaluating the requirements of the amendment and the effect on the financial statement.

41: Corporate Social Responsibilities (CSR) :

As per section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year, the company is required to spend, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Since, Powergrid Kala Amb Transmission Limited has not satisfied any of the above criteria, expenditure on account of CSR does not apply to the company."



- 42: 1. Previous year figures have been regrouped and rearranged wherever necessary.
2. Figures have been rounded off to the nearest Rupees in Lakh upto Two Decimal.

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

For and on behalf of the Board of Directors


(CA Amit Gupta)
Partner
M. No. 098478

Place: Jammu
Date: 22.05.2018


Seema Gupta
Chairman
DIN: 06636330


V. Susheela Devi
Director
DIN: 07828528


S. K. Rai
CFO


Prabhat Singh
Company Secretary

Place: Ganganagar
Date: 22.05.2018

POWERGRID JABALPUR TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2014GOI270433)

ANNUAL REPORT (2017-18)

POWERGRID JABALPUR TRANSMISSION LIMITED

CIN: U40300DL2014GOI270433

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016.

Phone No.: 011-26560112, Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Fourth Annual Report of POWERGRID JABALPUR Transmission Limited {formerly Vindhyachal Jabalpur Transmission Limited} on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Jabalpur Transmission Limited (PJTL) {formerly Vindhyachal Jabalpur Transmission Limited} was acquired /taken over by Power Grid Corporation of India Limited (POWERGRID) on February 26, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Strengthening associated with Vindhyachal-V. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C transmission line is to traverse the State of Madhya Pradesh. The Company has been granted transmission license by CERC in June, 2015.

Share Capital

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 20 crore and Rs. 0.15 crore, respectively.

Dividend and Transfer to Reserves

Your Company project is under implementation hence there is no operating profit.

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

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

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

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure - II** to this Report.

Board of Directors and Key Managerial Personnel

There is no change in the composition of the Board during the financial year 2017-18. As on 31st March, 2018, the Board comprised four Directors viz., Shri Ravi P. Singh, Shri D.K. Valecha, Shri S. Vaithilingam and Shri D.K. Singh.

Subsequently, after the end of the Financial Year 2017-18, Shri D.K. Valecha and Shri S. Vaithilingam also ceased to be Directors of the Company w.e.f 07/05/2018 and Shri Abhay Choudhary and Smt. V.Susheela Devi had been appointed as Additional Directors w.e.f. 07/05/2018 who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Abhay Choudhary and Smt. V. Susheela Devi as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

In accordance with the provisions of section 160 of the Companies Act, 2013 read with the Articles of Association of the Company, Shri Ravi P. Singh, Director shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

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

Number of Board meetings during the year

During the financial year ended 31st March, 2018, six (6) meetings of Board of Directors were held on 09.05.2017, 04.07.2017, 29.09.2017, 02.11.2017, 28.02.2018, 26.03.2018. The detail of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri Ravi P Singh	Chairman	6	6
Shri D.K. Valecha	Director	6	5
Shri S. Vaithilingam	Director	6	5
Shri D.K. Singh	Director	6	2

Committees of the Board

Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has constituted Audit Committee of Directors on 28.03.2017. As on 31.03.2018, the Audit Committee comprises viz. Shri S Vaithilingam, as Chairman, Shri D.K. Valecha and Shri D.K. Singh as its members.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Smt. Susheela Devi, Shri Abhay Choudhary and Shri D. K. Singh as its members with Smt. Susheela Devi as Chairman.

During the financial year 2017-18, two (2) meetings of Audit committee were held on 29.05.2017 and 07.07.2017.

Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted Nomination & Remuneration Committee of Directors (the NRC) on 28.03.2017. As on 31.03.2018, the NRC comprises three members viz. Shri D.K. Valecha, Shri S Vaithilingam and Shri D.K. Singh as its members with Shri D.K. Valecha as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Shri Abhay Choudhary, Smt. Susheela Devi and Shri D. K. Singh as its members with Shri Abhay Choudhary as Chairman.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board.

Accordingly, PJTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s V.J. Amin & Co. Chartered Accountants, Vadodara have been re-appointed as Statutory Auditors for the financial year 2017-18.

Further, M/s P. G. Patel & Associates, Chartered Accountants have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors' Report

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

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 20th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 20th July, 2018 received from C&AG is placed at **Annexure-III** to this report.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, the Company is required to spend, at least 2% of the Average Net Profits of the Company made during the Three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Your Company does not have any operational income/profit. Hence it is not required to make any CSR Expenditure.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Further, the Company does not have any employee as on the date of this report therefore, such particulars have not been included as part of Directors' Report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

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

For and on behalf of
POWERGRID Jabalpur Transmission Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Date: 23rd August, 2018
Place: Gurgaon

POWERGRID JABALPUR TRANSMISSION LIMITED**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

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

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

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

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

SL. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID) [holding company on and from 26.02.2015]
b	Nature of contracts/arrangements/transaction	Part (A): to take any security(ies) / guarantee(s) in connection with loan(s) and/or avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs 1400 crore from POWERGRID. Part (B): to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus taxes as applicable. Part (C) Tripartite agreement for procurement of conductors by Company against tendering done by POWERGRID, as per which rights & liabilities assigned to Company.
c	Duration of the contracts/arrangements/transaction	Part (A): As mutually agreed Part (B): Commissioning of the project including associated reconciliation activities. Part (C): As mutually agreed
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	16.04.2015 [for Part (A)], 29.02.2016 [for Part (B)], 09.05.2017 [for Part (C)].

f	Amount paid as advances, if any	NIL
---	------------------------------------	-----

For and on behalf of
POWERGRID Jabalpur Transmission Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Date: 23rd August, 2018
Place: Gurgaon

Annexure II**POWERGRID JABALPUR TRANSMISSION LIMITED****Form No.MGT-9****EXTRACT OF ANNUAL RETURN**

As on the Financial Year Ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL2014GOI270433
ii.	Registration Date	14th August, 2014
iii.	Name of the Company	POWERGRID Jabalpur Transmission Limited [formerly Vindhyachal Jabalpur Transmission Limited]
iv.	Category/ Sub-Category of the Company	Company limited by shares / Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel:011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	POWER GRID CORPORATION OF INDIA LIMITED*	L40101DL1989GOI038121	HOLDING COMPANY	100%	2(46)

*Holding Company w.e.f. 26.02.2015.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6*	0.004	-	6*	6*	0.004	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	149994	149994	99.996	0	149994	149994	99.996	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	0	150000	150000	100.00	0	150000	150000	100.00	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-

1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	150000	150000	100	-	150000	150000	100.00	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	149994	99.996	-	149994	99.996	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.0006	-	01	0.0006	-	-
3.	Shri K.S.R Murty jointly with POWERGRID	01	0.0006	-	01	0.0006	-	-
4.	Shri Ravi P. Singh jointly with POWERGRID	01	0.0006	-	01	0.0006	-	-
5.	Smt. Seema Gupta jointly with POWERGRID	01	0.0006	-	01	0.0006	-	-
6.	Shri D .K. Valecha jointly with POWERGRID*	01	0.0006	-	01	0.0006	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID*	01	0.0006	-	01	0.0006	-	-
	Total	150000	100	0	150000	100	0	0

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	150000	100	150000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	150000	100	150000	100

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri Ravi P. Singh, Chairman				
	At the beginning of the year	01*	0.0006	01*	0.0006
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.0006	01*	0.0006
2	Shri D.K. Valecha, Director				
	At the beginning of the year	01*	0.0006	01*	0.0006
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.0006	01*	0.0006
3	Shri S. Vaithilingam, Director				
	At the beginning of the year	01*	0.0006	01*	0.0006

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01*	0.0006	01*	0.006
4	Shri D. K. Singh, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

*equity share held jointly with POWERGRID.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-		-	
i) Principal Amount		2,04,06,48,318		2,04,06,48,318
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		5,05,20,151		5,05,20,151
Total (i+ii+iii)	-	209,11,68,469	-	209,11,68,469
Change in Indebtedness during the financial year				
- Addition		776,68,44,810		776,68,44,810

- Reduction				
Net Change	-	776,68,44,810	-	776,68,44,810
Indebtedness at the end of the financial year				
i) Principal Amount	-	967,00,39,200	-	967,00,39,200
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	18,79,74,079	-	18,79,74,079
Total (i+ii+iii)	-	985,80,13,279	-	985,80,13,279

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Not Applicable)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary	-	-	-	-	-
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors (Not Applicable):

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: (Not Applicable)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of
POWERGRID Jabalpur Transmission Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

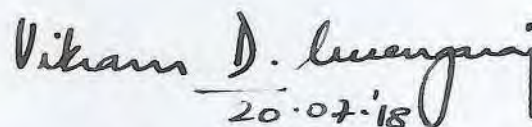
Date: 23rd August, 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF POWERGRID JABALPUR TRANSMISSION LIMITED FOR THE
YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of POWERGRID Jabalpur Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of POWERGRID Jabalpur Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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


20.07.18

(Vikram D. Murugaraj)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 20 July 2018

Compliance Certificate

We have conducted the audit of annual stand-alone accounts of Power Grid Jabalpur Transmission Limited for the year ended 31 March 2018 in accordance with the Directions/ Sub-directions issued by the C&AG of India under Section 143(5) of the companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

Place: Vadodara
Date: 22.05.2018



For M/s V.J. Amin & Co.,
Chartered Accountants
F.R. No. 100335W

Dharamsinh T. Kesharani
Partner
Membership No:047553

INDEPENDENT AUDITORS' REPORT

To the Members of **Powergrid Jabalpur Transmission Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Powergrid Jabalpur Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure '2'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**.
 - g. 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, 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 Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company;

For V.J. Amin & Co.
Chartered Accountants
FRN : 100335W



(CA Dharamsinh T. Kesharam)
Partner
M. No. 047553



Place: Vadodara
Dated: 22.05.2018

V.J. Amin & Co.

Chartered Accountants

506, Gayatri Chambers

Nr. Railway Underbridge,

R.C. Dutt Road, Alkapuri,

Vadodara – 390007

Annexure – 1

As referred to in our Independent Auditors' Report to the members of the **Powergrid Jabalpur Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2018, we report that:

		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The project is still under construction stage and it has very few MBOA assets which are not material, thus no physical verification of assets was conducted.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	The transmission line towers erected by the company on the farmers land are treated as immovable property based on the provisions of the Indian Telegraph Act, which permits public utility undertakings to erect such towers without acquiring the land by paying adequate tree/ crop compensation by the company to the owners of the said property
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The project is still under construction stage & there is no Inventory yet, thus no physical verification of inventory was conducted.
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
	(b)	Whether the schedule of repayment of principal and	Not Applicable



Power Grid Jabalpur Transmission Ltd. CARO Report FY 2017-18

		<i>payment of interest has been stipulated and whether the repayments or receipts are regular;</i>	
	(c)	<i>If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.</i>	<i>Not Applicable</i>
	(iv)	<i>In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.</i>	<i>According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable</i>
	(v)	<i>in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</i>	<i>According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal</i>
	(vi)	<i>whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained</i>	<i>The Provisions of the clause (vi) of the Order, relating to maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable since the Company's turnover or Net Worth of the Company as the case may be has not exceeded the prescribed limit during the current year</i>
	(vii) (a)	<p><i>Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</i></p> <p><i>i) Provident fund;</i> <i>ii) Employees' state insurance;</i> <i>iii) Income-tax;</i> <i>iv) Sales-tax;</i> <i>v) Service tax;</i> <i>vi) Duty of customs;</i> <i>vii) Duty of excise;</i> <i>viii) Value Added Tax (VAT);</i> <i>ix) Cess; and</i> <i>x) Any other statutory dues.</i></p> <p><i>If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.</i></p>	<i>According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.</i>
		<i>where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute,</i>	<i>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.</i>



Power Grid Jabalpur Transmission Ltd. CARO Report FY 2017-18

	(b)	<i>then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</i>	
	(viii)	<i>Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided).</i>	<i>According to information and explanations given to us, there is no such default.</i>
	(ix)	<i>Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised; if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</i>	<i>Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Holding Company Resource Mobilization cell provided inter corporate loan and raises demand for servicing as per the terms of source of fund from which it has funded the inter corporate loan. We report that the amounts received were applied for the purposes for which they were raised</i>
	(x)	<i>Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;</i>	<i>According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</i>
	(xi)	<i>Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;</i>	<i>The company has not provided for any Managerial Remuneration for the year 2017-2018. The key Management Personnel of the Company are employees of holding company. Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company.</i>
	(xii)	<i>Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</i>	<i>Not Applicable</i>
	(xiii)	<i>Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;</i>	<i>All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.</i>
	(xiv)	<i>Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount</i>	<i>According to the information and explanations given to us, there is no such case.</i>



Power Grid Jabalpur Transmission Ltd. CARO Report FY 2017-18

	<i>involved and nature of non-compliance;</i>	
(xv)	<i>Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;</i>	<i>According to the information and explanations given to us, there is no such case.</i>
(xvi)	<i>Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.</i>	<i>The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.</i>

For V.J. Amin & Co.

Chartered Accountants

FRN : 100335W



(CA Dharamsinh T. Kesharani)

Partner

M. No. 047553



Place: Vadodara

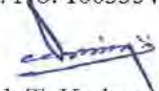
Dated: 22.05.2018

Annexure referred to in our report of even date to the members of Powergrid Jabalpur Transmission Limited ('the Company) on the account for the year ended 31st March 2018

Sl. No.	Particulars	Auditor's Comments	Action taken by management	Impact on financial statements
1.	Whether the Company has clear title/lease deeds for freehold, lease hold land, building and flats? If not, please state the area of the freehold land, lease hold land and buildings / flats for which title /lease deeds are not available.	Company doesn't hold any freehold/leasehold land, building or flat.	Company doesn't hold any freehold/leasehold land, building or flat.	Nil
2.	Whether there are any cases of waiver / write off of debts/loans/ interest etc.. If yes, the reasons thereof and the amount involved.	There were no cases of waiver of debts/loans/interest etc. during the year.	There were no cases of waiver of debts/loans/interest etc. during the year.	Nil
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift, grant(s) from the Govt. or other authorities?	The company has maintained adequate records in respect of the company's inventories lying with third parties. No assets have been received as gift from the Government or other Authorities.	The company has maintained adequate records in respect of the company's inventories lying with third parties. No assets have been received as gift from the Government or other Authorities.	Nil



For V.J. Amin & Co,
Chartered Accountants
Firm Regn. No. 100335W


(Dharamsinh T. Kesharani)
Partner
Membership No. 047553

Place: Vadodara
Dated: 22.05.2018

V.J. Amin & Co.
Chartered Accountants
506, Gayatri Chambers
Nr. Railway Underbridge,
R.C. Dutt Road, Alkapuri,
Vadodara – 390007

ANNEXURE – 3

As referred to in our Independent Auditors' Report to the members of the **Powergrid Jabalpur Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2018

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 of the company as at March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and



(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

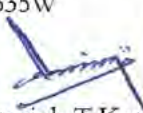
Inherent Limitations of internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 V.J. Amin & Co.
Chartered Accountants
FRN : 100335W


(CA Dharamsinh T. Kesharao)
Partner
M. No. 047553



Place: Vadodara
Dated: 22.05.2018

POWERGRID JABALPUR TRANSMISSION LIMITED

CIN: U40300DL2014GOI270433

Balance Sheet as at 31st March, 2018

(₹ in Lakh)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	3.40	1.28
Capital work-in-progress	5	116822.37	22801.76
Other non-current assets	6	1121.45	3604.35
		117947.23	26407.39
Current assets			
Financial Assets			
Cash and cash equivalents	7	3.63	5.03
Other current financial assets	8	15.78	-
Other current assets	9	0.05	66.59
		19.46	71.62
Total Assets		117966.69	26479.01
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	15.00	15.00
Other Equity	11	-0.33	-0.33
		14.67	14.67
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	96700.39	20406.48
Other non-current financial liability	13	-	603.27
		96700.39	21009.75
Current liabilities			
Financial Liabilities			
Other current financial liability	14	20856.89	5260.71
Other current liabilities	15	394.74	193.87
		21251.63	5454.59
Total Equity and Liabilities		117966.69	26479.01

The accompanying notes (1 to 33) form an integral part of financial statements

As per our report of even date
For V J Amin & Co.
Chartered Accountants
ICAI Firm Registration No. 100335W

CA Dharamsinh T. Kesharani
Partner
Membership No. : 47553
Place: Vadodara
Date: 22.05.2018



For and on behalf of the Board of Directors

Ravi P Singh
Chairman
DIN : 05240974
Place: Gurugram
Date: 22.05.2018

Susheela Devi
Director
DIN: 07828528

702
Lsr

POWERGRID JABALPUR TRANSMISSION LIMITED
CIN: U40300DL2014GOI270433
Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations		-	-
Other Income	16	-	-
Total Income		-	-
EXPENSES			
Employee benefits expense		-	-
Finance costs	17	-	-
Depreciation and amortization expense	18	-	-
Other expenses	19	-	-
Total expenses		-	-
Profit/(loss) before tax		-	-
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the period		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		-	-
Earnings per equity share (Par Value ₹ 10 each)		-	-
Basic (in ₹)		-	-
Diluted (in ₹)		-	-

The accompanying notes (1 to 33) form an integral part of financial statements

As per our report of even date
For V J Amin & Co.
Chartered Accountants
ICAI Firm Registration No. 100335W

CA Dharamsinh T. Kesharani
Partner
Membership No. : 47553
Place: Vadodara
Date: 22.05.2018



For and on behalf of the Board of Directors

Ravi P Singh
Chairman
DIN : 05240974
Place: Gurugram
Date: 22.05.2018

Susheela Devi
Director
DIN: 07828528

[Handwritten signature]

POWERGRID JABALPUR TRANSMISSION LIMITED
CIN: U40300DL2014GOI270433
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakh)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
(A) Cash Flow from Operating Activities:		
Net Profit before tax	-	-
Operating Profit before working capital change	-	-
A. Adjustments for :-		
Increase/(Decrease) in Other Current/Non current Financial Liabilities	(402.41)	4,186.79
Increase/(Decrease) in Other current financial liability	15,596.18	(20.59)
(Increase)/Decrease in Other current Assets/Other Current Financial Assets	50.76	(66.54)
Net Cash Flow from Operating Activities	15,244.53	4,100
(B) Cash Flow from Investing Activities:		
- Property Plant & Equipment & Capital Work in Progress	(94,022.73)	(20,693.18)
- Advances for Capital Expenditure	2,482.89	(3,604.35)
Net Cash used in Investing Activities	(91,539.84)	(24,297.52)
(C) Cash Flow from Financing Activities:		
- Share Capital raised during the year	-	10.00
- Loans raised during the year	76,293.91	20,172.34
Net Cash from Financing Activities	76,293.91	20,182.34
(D) Net change in Cash & Cash equivalents(A+B+C)	(1.40)	(15.52)
(E) Cash and Cash Equivalents at the beginning of the period	5.03	20.55
(F) Cash and Cash Equivalents at the end of the period(As per Note 7)	3.63	5.03

The accompanying notes (1 to 33) form an integral part of financial statements

Note:

- Cash and Cash equivalents consist of cheques, Drafts, Stamps in Hands, balances with banks and deposits with original maturity of upto three months.
- Previous year figures have been re-grouped/ re-arranged wherever necessary

As per our report of even date
For V J Amin & Co.
Chartered Accountants
ICAI Firm Registration No. 100335W

CA Dharamsinh T. Kesharani
Partner
Membership No. : 47553
Place: Vadodara
Date: 22.05.2018



For and on behalf of the Board of Directors

Ravi P Singh
Chairman
DIN : 05240974
Place: Gurugram
Date: 22.05.2018

Susheela Devi
Director
DIN: 07828528

[Handwritten signature]

POWERGRID JABALPUR TRANSMISSION LIMITED
Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital

(₹ in Lakh)

As at 1st April, 2016	5.00
Changes in equity share capital	10.00
As at 1st April, 2017	15.00
Changes in equity share capital	-
As at 31st March, 2018	15.00

B. Other Equity

(₹ in Lakh)

	Retained Earnings	Total
Balance at 1st April, 2017	-0.33	-0.33
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2018	-0.33	-0.33

(₹ in Lakh)

	Retained Earnings	Total
Balance at 1st April, 2016	-0.33	-0.33
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2017	-0.33	-0.33

The accompanying notes (1 to 33) form an integral part of financial statements
Refer to Note No. 11 for Nature & movement of Reserve & Surplus

As per our report of even date
For V J Amin & Co.
Chartered Accountants
ICAI Firm Registration No. 100335W



CA Dharamsinh T. Kesharani
Partner
Membership No. : 47553
Place: Vadodara
Date: 22.05.2018

For and on behalf of the Board of Directors

2/14-

Ravi P Singh
Chairman
DIN : 05240974
Place: Gurugram
Date: 22.05.2018

Susheela Devi
Director
DIN: 07828528

Notes to Financial Statements

1. Corporate and General Information

Powergrid Jabalpur Transmission Limited ("the Company") is domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.

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

The financial statements of the company for the year ended March 31, 2018 were approved for issue by the Board of Directors on 22.05.2018

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and presentation currency

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

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The company has opted to consider the carrying value of Property, Plant and Equipments as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be deemed cost as per Ind AS 101 "First time adoption of Indian Accounting Standards"

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.



Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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

2.4 Intangible Assets and Intangible Assets under development

The company has opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be deemed cost as per Ind AS 101 "First time adoption of Indian Accounting Standards"

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software(which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.



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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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



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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) Finance leases

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

b) Operating leases

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments



Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.



The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCL.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

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

Current income tax



The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

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

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

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

2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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



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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

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

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.20 Cash Flow Statement

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

Note 3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 4/Property, Plant and Equipment

Particulars	Cost					Accumulated Depreciation			Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018
Furniture Fixtures	1.29	0.52	-	-	1.81	0.01	0.08	-	-	1.72
Office equipment	-	0.84	-	-	0.84	-	0	-	-	0.84
Electronic Data Processing & Word Processing Machines	-	1.04	-	-	1.04	0.00	0.20	-	-	0.84
Grand Total	1.29	2.40	0.00	0.00	3.69	0.01	0.28	0.00	0.00	3.40
										1.28

Particulars	Cost					Accumulated Depreciation			Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017
Furniture Fixtures	-	1.29	-	-	1.29	-	0.01	-	-	1.28
Grand Total	-	1.29	-	-	1.29	-	0.01	-	-	1.28



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 5/Capital work in progress

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2018	As at 31st March, 2017
Plant & Equipments (including associated civil works)						
Transmission	11,229.23	58,789.04	-	-	70,018.27	11,229.23
Expenditure during construction (net) (Note 20)	3,916.78	7,253.29	-	-	11,170.04	3,916.78
Construction Stores	7,655.77	27,978.28	-	-	35,634.06	7,655.77
Grand Total	22,801.76	94,020.61			1,16,822.37	22,801.76
Particulars	As at 1st April, 2016	year	Adjustments	year	As at 31st March, 2017	As at 31st March, 2016
Plant & Equipments (including associated civil works)						
Transmission	8.65	11,220.57	-	-	11,229.23	8.65
Expenditure during construction (net) (Note 20)	2,101.21	1,815.54	-	-	3,916.76	2,101.21
Construction Stores		7,655.77	-	-	7,655.77	
Grand Total	2,109.87	20,691.89			22,801.76	2,109.87

POWERGRID JABALPUR TRANSMISSION LIMITED

Note 5/Capital work in progress (Details of Construction stores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Construction Stores		
Towers	12,983.16	4,095.04
Conductors	19,570.73	2,817.36
Other Line Materials	2,731.81	609.43
Sub-Station Equipments	4.42	0.31
Others	343.93	133.62
TOTAL	35,634.06	7,655.77
Construction Stores include:		
i) Material in transit		
Towers		0.11
Conductors		307.23
Others		133.62
Total		440.97
ii) Material with Contractors		
Towers	12,983.16	4,094.93
Conductors	19,570.73	2,510.13
Other Line Materials	2,731.81	609.43
Sub-Station Equipments	4.42	0.31
Others	343.93	
Total	35,634.06	7,214.00
Grand total	35,634.06	7,655.77



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 6/Other non-current Assets

(Unsecured considered good unless otherwise stated)

	(₹ in Lakh)	
Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances for Capital Expenditure		
Unsecured		
Against bank guarantees	1,112.53	3,600.52
Advances recoverable in cash or in kind or for value to be received		
Advance tax and Tax deducted at source	8.92	3.83
TOTAL	1,121.45	3,604.35



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 7/Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance with banks-		
-In Current accounts	3.63	5.03
Total	3.63	5.03



POWERGRID JABALPUR TRANSMISSION LIMITED

Note08/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

Particulars	₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Related Party (Power Grid Corporation of India Ltd., Holding Company)	14.57	0.00
Others	1.21	0.00
Total	15.78	0.00



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 9/Other current Assets

(Unsecured considered good unless otherwise stated)

Particulars	₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in kind or for value to be received		
Balance with Customs Port Trust and other authorities	0.05	66.59
Total	0.05	66.59



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 10/Equity Share capital

(₹ in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
20000000 (Previous Year 20000000) equity shares of ₹10/- each at par	2000.00	2000.00
Issued, subscribed and paid up		
150000 (Previous Year 150000) equity shares of ₹10/-each at par fully paid up	15.00	15.00
Total	15.00	15.00

Further Notes:

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the year	150000	15.00	50000	5.00
Shares issued during the year	-	-	100000	10.00
Shares outstanding at the end of the year	150000	15.00	150000	15.00

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

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares #	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited (Holding Company)	150000	100%	150000	100%

Out of 150000 Equity Shares (Previous Year 150000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 11/Other Equity

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
As per last balance sheet	(0.33)	(0.33)
Add: Additions	-	-
Less: Appropriations	(0.33)	(0.33)
Closing Balance	(0.33)	(0.33)
TOTAL	(0.33)	(0.33)



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 12/ Borrowings

Description	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Unsecured Loan from Power Grid Corporation of India Ltd(Holding Co.)	96700.39	20406.48
Total	96700.39	20406.48

Note:

The Inter Corporate Loan is provided by the Holding Company at the rate which varies from 7.20% to 8.40% repayable over a period of 10 to 15 years after a moratorium period of 3 to 5 years.



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 13/Other Non-current financial liabilities

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Other liabilities		
Deposits /Retention money from contractors and others	-	603.27
Total	-	603.27

Note:

Disclosure with regard to Micro and Small Enterprise as reported under " The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note no. 21



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 14/Other Current Financial Liability

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Interest accrued but not due on borrowings from		
Related Party (Power Grid Corporation of India Ltd - Holding Company)	1,879.74	505.20
Others		
Dues for capital expenditure	11,904.61	2,828.71
Deposits/Retention money from contractors and others.	5,188.59	966.48
Related Party (Power Grid Corporation of India Ltd - Holding Company)	1,841.82	955.91
Others	42.13	4.41
Total	18,977.15	4,755.51
Note:	20,856.89	5,260.71

Disclosure with regard to Micro and Small Enterprise as reported under " The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note no. 21



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 15/Other current liabilities

Particulars	(₹ in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory dues	394.74	193.87
Total	394.74	193.87



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 16/Other income

(₹ in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest from advances to contractors	388.10	
Others		
FV gain on initial recognition of Financial Liabilities	-70.30	70.30
	317.80	70.30
Less: Income transferred to expenditure during construction (Net)-Note 20	317.80	70.30
TOTAL	-	-



POWERGRID JABALPUR TRANSMISSION LIMITED**Note 17/Finance costs**

(₹ in Lakh)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Interest and finance charges on financial liabilities at amortised cost		
Loan from Powergrid Corporation of India Ltd.(Holding Co.)	3,793.25	561.34
Unwinding of discount on financial liabilities	-8.93	8.93
Total	3,784.32	570.26
Less: Transferred to Expenditure during Construction(Net)-Note 20	3,784.32	570.26
TOTAL	-	-



POWERGRID JABALPUR TRANSMISSION LIMITED

Note 18/Depreciation and amortization expense

(₹ in Lakh)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Depreciation of Property,Plant and Equipment	0.28	0.01
Less: Transferred to Expenditure During Construction(Net)-Note 20	0.28	0.01
TOTAL	-	-



POWERGRID JABALPUR TRANSMISSION LIMITED**Note 19/Other expenses**

(₹ in Lakh)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Professional charges(Including TA/DA)	3,780.98	1,310.13
Audit Fees	0.35	0.38
CERC petition & Other charges	5.00	5.00
Rates and taxes	0.05	0.00
Other charges	0.11	0.06
	3,786.49	1,315.57
Less:Transferred to Expenditure during Construction(Net)-Note 20	3,786.49	1,315.57
Total	-	-



POWERGRID JABALPUR TRANSMISSION LIMITED**Note 20/ Expenditure during Construction (Net)**

(₹ in Lakh)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
A.Other Expenses		
Professional charges(Including TA/DA)	3780.98	1310.13
Payment to Auditors	0.35	0.38
Miscellaneous expenses	5.00	5.00
Rates and taxes	0.05	0.00
Other Charges	0.11	0.06
Total(A)	3786.49	1315.57
B.Depreciation/Amortisation	0.28	0.01
C.Finance Costs		
Other finance charges		
Loan from Holding Co.	3793.25	561.34
Unwinding of discount on financial liabilities	-8.93	8.93
Total (C)	3784.32	570.26
D. Less: Other Income		
Interest from		
Contractors	388.10	
Others	-70.30	70.30
Total (D)	317.80	70.30
GRAND TOTAL (A+B+C-D)	7253.29	1815.54



21. Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Lakh)			
	Particulars	Current Year	Previous Year
	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	Nil	Nil
	Interest	Nil	Nil
	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

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

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

23. Borrowing Cost Capitalized/Shifted to IDC during the year ₹ 3784.32 lacs (Previous Year ₹ 570.26 lacs) in the respective carrying amount of Property, Plant and Equipment/Capital work in progress(CWIP) as per Ind AS 23 "Borrowing Costs".



24. Fair Value Measurements

(₹ in Lakh)

Financial Instruments by category	31 st March, 2018		31 st March, 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Cash & cash Equivalents		3.63		5.03
Total Financial assets		3.63		5.03
Financial Liabilities				
Borrowings		98580.13		20911.68
Other Financial Liabilities		18977.15		5358.78
Total financial liabilities		117557.28		26270.46

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018	-	-	-	-	-
Financial Assets	-	-	-	-	-
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings			95347.07		95347.07
Other financial liabilities					
Deposits/retention money from contractors and others			18977.15		18977.15
Total financial liabilities			114324.22		114324.22

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2017	-	-	-	-	-
Financial Assets	-	-	-	-	-
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings			21307.15		21307.15
Other financial liabilities			5358.78		5358.78
Total financial liabilities			26665.93		26665.93

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.



There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.
- All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost

(₹ in Lakh)

	31 March 2018		31 March 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-
Total Financial Assets				
Financial Liabilities				
Borrowings	98580.13	95347.07	20911.69	21307.15
Other financial liabilities	18977.15	18977.15	5358.78	5358.78
Total financial liabilities	117557.28	114324.22	26270.47	26665.93

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

25. Related party Transactions

(a) Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-Mar-2018	31-Mar-17
Power Grid Corporation of India Limited	India- Holding Company	Holding Co. 100%	Holding Co. 100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-Mar-2018	31-Mar-2017
Powergrid Vizag Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid NM Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid Unchahar Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid Kala Amb Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid Warora Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid Parli Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid Southern Interconnector Transmission Limited	India-Fellow Subsidiary	-	-
Powergrid Vemagiri Transmission Limited	India-Fellow Subsidiary	-	-
Grid Conductors Limited***	India-Fellow Subsidiary	-	-
Medinipur Jeerat Transmission Limited (Earstwhile Medinipur Jeerat Transmission Ltd.)*	India-Fellow Subsidiary	-	-
Powergrid Mithilanchal Transmission Limited(Earstwhile ERSS XXI Transmission Ltd.)*	India-Fellow Subsidiary	-	-
WR-NR Power Transmission Limited**	India-Fellow Subsidiary	-	-

*100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018



** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018

*** Pursuant to the application dated 13th June 2017 submitted to ministry of Corporate affairs for striking off the name of Grid Conductors Ltd, the company ceases to be wholly owned Subsidiary.

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31- Mar-2018	31- Mar- 2017
Powerlinks Transmission Limited	India-JV of Holding	-	-
Torrent Power Grid Limited	India-JV of Holding	-	-
Jaypee Powergrid Limited	India-JV of Holding	-	-
Parbati Koldam Transmission Company Limited	India-JV of Holding	-	-
Teestavalley Power Transmission Limited	India-JV of Holding	-	-
North East Transmission Company Limited	India-JV of Holding	-	-
National High Power Test Laboratory Private Limited	India-JV of Holding	-	-
Bihar Grid Company Limited	India-JV of Holding	-	-
Kalinga Vidyut Prasaran Nigam Private Limited #	India-JV of Holding	-	-
Cross Border Power Transmission Company Limited	India-JV of Holding	-	-
RINL Powergrid TLT Private Limited	India-JV of Holding	-	-
Power Transmission Company Nepal Ltd	Nepal JV of Holding	-	-

#POWERGRID's Board of Directors in its meeting held on 16th August 2017 accorded approval for initiating procedure for Winding up / removal of the name of Kalinga Vidyut Prasaran Nigam Private Limited under fast track exit mode of Registrar of company (ROC).

(d) Key Management Personnel

Name	Designation
Sh. Ravi P Singh	Chairman
Sh. D.K.Singh	Director
Sh. S. Vaithilingam*	Director
Sh. D.K. Valecha*	Director
Sh. P.C. Garg	Chief Executive Officer

*Ceased to be Director w.e.f. 30.04.2018

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

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

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Payables		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.	1841.82	877.40
Total	1841.82	877.40

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Receivables		
<u>Holding Co.</u>		
Power Grid Corporation of India Ltd.	14.57	0
Total receivables	14.57	0

(f) Investments Received during the year (Equity)

(₹ in Lakh)

Particulars	31 March, 2018	31 March, 2017
Payables		
<u>Holding Company</u>		



Power Grid Corporation of India Ltd.	-	10.00
Total	-	10.00

(g) Loans to/from related parties

(₹ in Lakh)

<u>Loans from Holding Company</u>	31 March, 2018	31 March, 2017
Power Grid Corporation of India Ltd.	96700.39	20406.48
Total	96700.39	20406.48

(h) Interest accrued on Loan

(₹ in Lakh)

<u>Particulars</u>	31 March, 2018	31 March, 2017
<u>Holding</u>		
Power Grid Corporation of India Ltd.	1879.74	505.20
Total	1879.74	505.20

(i) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakh)

<u>Particulars</u>	31 March, 2018	31 March, 2017
<u>Services received by the Company</u>		
<u>Holding Company</u>		
Power Grid Corporation of India Ltd.		
Consultancy Charges(excl taxes)	3217.98	1310.13
Total	3217.98	1310.13

(j) Interest on Loan

(₹ in Lakh)

<u>Particulars</u>	31 March, 2018	31 March, 2017
<u>Holding</u>		
Power Grid Corporation of India Ltd.	3793.25	561.34
Total	3793.25	561.34

26. Segment Information

a) Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segment have been identified on the basis of product/services i.e. Transmission Network.

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

27. Capital and other Commitments

(₹ in Lakh)

<u>Particulars</u>	As at March 31,2018	As at March 31,2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17588.01	88374.76

28. Contingent Liabilities and contingent assets

Contingent Liabilities

There is no Contingent Liabilities as at 31st March 2018 (Nil 31st March 2017)

29. Capital management

a) Risk Management

The company's objectives when managing capital are to



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

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

30. Earnings per share

(in ₹)

a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018	31 March, 2017
From Continuing Operations	-	-
Total basic diluted earnings per share attributable to the equity holders of the company	-	-

(₹ in Lakh)

b) Reconciliation of earnings used as numerator in calculating earnings per share	31 March, 2018	31 March, 2017
Earnings attributable to the equity holders of the company	-	-
Total Earnings attributable to the equity holders of the company	-	-

c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares	31 March, 2017 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	150000	133014
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	150000	133014

31. Financial Risk Management

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

At present, the Company's principal financial assets include cash and cash equivalents that are generated from its operations.

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

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

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Since the company is still under construction there are no trade receivables.

(i) Other Financial Assets

- Cash and cash equivalents



The Company held cash and cash equivalents as on 31st March 2018 of ₹ 3.63 lacs (31st March, 2017: ₹ 5.03 lacs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

o **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Lakh)		
Particulars	31 st March, 2018	31 st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	3.63	5.03
Other current financial assets	15.78	-
Total	19.41	5.03

o **Provision for expected credit losses**

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

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, expected credit loss provision is not required.

B)Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in Lakh)						
Contractual maturities of financial liabilities	Within a year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total	
31 March 2018						
Borrowings (including interest outflows)	6953.14	7384.24	31423.55	125363.56	171124.49	
Other financial liabilities	18977.15	-	-	-	18977.15	
Total	25930.29	7384.24	31423.55	125363.56	190101.64	
31 March 2017						
Borrowings	2130.93	1559.92	12211.34	18968.01	34870.20	
Other financial liabilities	5358.78	-	-	-	5358.78	
Total	7489.71	1559.92	12211.34	18968.01	40228.98	



C) Market risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings. The company is exposed to currency risk mainly due to procurement of goods and services. Exposure in Foreign currency for unexecuted amount of contracts for purchase of goods and services is USD 31102 (INR Value 20.46 lakh) (31st March 2017- USD 2394302 i.e INR Value 1573.77 lakh ,)

ii) Interest rate risk

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates

32. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers', Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements.

33. (a) Previous year figures have been regrouped / rearranged wherever considered necessary.

(b) Figures have been rounded off to nearest rupees in lakhs upto two decimal.

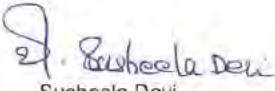
As per our report of even date
For V J Amin & Co.
Chartered Accountants
ICAI Firm Registration
No. 1003335W

CA Dharamsinh T. Kesharan
Partner
Membership No. : 47553
Place: Vadodara
Date: 22.05.2018



For and on behalf of the Board of Directors


Ravi P Singh
Chairman
DIN : 05240974
Place: Gurugram
Date: 22.05.2018


Susheela Devi
Director
DIN: 07828528

POWERGRID WARORA TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2014GOI269918)

ANNUAL REPORT (2017-18)

POWERGRID WARORA TRANSMISSION LIMITED

CIN: U40300DL2014GOI269918

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

It gives me immense pleasure to present on behalf of the Board of Directors, the Fourth Annual Report of POWERGRID Warora Transmission Limited (PWTL) {formerly Gadarwara (A) Transco Limited} on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31st March, 2018.

POWERGRID Warora Transmission Limited (formerly Gadarwara (A) Transco Limited) was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). The transmission system is contemplated in the States of Maharashtra and Madhya Pradesh and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Warora. The Company was granted transmission license by CERC in August, 2015. The project's elements have been progressively commissioned and the entire project has been commissioned on 10th July, 2018.

Financial Performance

Rs. In Lakh

Particulars	2017-18	2016-17
Revenue from Operations	6369.72	366.22
Other Income	0.01	-
Total Income	6369.73	366.22
Expenses	2694.46	61.12
Profit before Tax	3675.27	305.10
Profit after Tax	2894.28	131.72
Earnings Per Equity Share (Rs.)	6.44	0.63

Share Capital

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 225 crore and Rs. 176.30 crore, respectively. Subsequently the Authorised Share Capital was increased to Rs. 325 Crore. Further the Subscribed and Paid up Capital was increased to Rs. 228.30Crore.

Dividend and Transfer to Reserves

For the Financial Year 2017-18, the Company has recommended a dividend of Rs. 0.57/- per Equity Share. The dividend shall be paid after your approval at the Annual General Meeting. The total dividend payout for the year amounts to Rs.10.0491Crore.

The Company has transferred an amount of Rs. 33.85 Lakh to Self Insurance Reserve and retained Rs. 2987.77 Lakh in the Retained Earnings.

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

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

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

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

There is no Conservation of Energy, Technology absorption and also there is no Foreign Exchange Earnings during the Financial Year 2017-18 however there is Foreign Exchange outgo of ₹15,96,01,267/- during the Financial Year 2017-18.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure - II** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised five Directors viz. Smt. Seema Gupta, Shri D.K. Valecha, Shri S. Vaithilingam, Shri D.K. Singh and Shri. V.K. Khare.

There were some changes in the Board of Directors of the Company during the financial year 2017-18. Shri S.K. Gupta and Shri R.P. Sasmal ceased to be Directors of the Company w.e.f 06/09/2017 and 28/02/2018 respectively. Shri V.K. Khare was appointed by the Board as Additional Director w.e.f 07/09/2017 and after your approval in the last Annual General Meeting (AGM) held on 29/09/2017 he was appointed as the Director of the Company.

Further, Smt. Seema Gupta has been appointed as Additional Director w.e.f. 23/03/2018 who hold office upto the date of ensuing AGM.

Subsequently, after the end of the Financial Year 2017-18, Shri D.K. Valecha and Shri S. Vaithilingam also ceased to be Directors of the Company w.e.f 30/04/2018 and Shri Prem Narayan Dixit and Mohammed Taj Mukarrum had been appointed as Additional Directors w.e.f. 07/05/2018 who hold office upto the date of ensuing AGM.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Smt. Seema Gupta, Shri Prem Narayan Dixit and Mohammed Taj Mukarrum as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Shri D.K. Singh shall retire by rotation at the ensuing AGM of your Company and being eligible, offers himself for re-appointment.

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

As on 31st March, 2018, Shri I. Martin Jerome and Ms. Anjana Luthra were Chief Financial Officer (CFO) and Company Secretary, respectively of the Company. Subsequently, Shri I. Martin Jerome had resigned as CFO of the Company w.e.f. 31.07.2018 and Shri Ravikumar Gandikota was appointed as CFO of the Company w.e.f. 02.08.2018.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, twelve (12) meetings of Board of Directors were held on 09.05.2017, 29.05.2017, 19.06.2017, 07.07.2017, 07.09.2017, 18.09.2017, 18.12.2017, 20.12.2017, 17.01.2018, 20.02.2018, 12.03.2018 and 23.03.2018. The detail of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri R.P. Sasmal*	Chairman	10	10
Shri D.K. Valecha^	Director	12	11
Shri S. Vaithilingam^	Director	12	11
Shri D.K. Singh	Director	12	1
Shri S.K. Gupta**	Director	4	0
Shri V.K.Khare***	Director	8	0
Smt. Seema Gupta^^	Additional Director and Chairperson	0	0

*Ceased to be Director w.e.f 28/02/2018

**Ceased to be Director w.e.f 06/09/2017

***Appointed as Director w.e.f 07/09/2017

^Ceased to be Director w.e.f 30/04/2018

^^Appointed as Director w.e.f 23/03/2018

Committees of the Board

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. As on 31/03/2018, the Audit Committee comprised three members viz. Shri S Vaithilingam, Shri D.K.Valecha and Shri D.K. Singh as its members with Shri S Vaithilingam as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise M. Taj Mukarrum, Shri P.N. Dixit and Shri D.K. Singh as its members with M. Taj Mukarrum as Chairman.

During the financial year 2017-18, two (2) meetings of Audit committee were held on 29/05/2017 and 07/07/2017, respectively.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted in line with the requirement of the provisions of Section 178 of the Companies Act, 2013. As on 31/03/2018, the NRC comprised three members viz. Shri D.K. Valecha, Shri S. Vaithilingam and Shri D.K. Singh as its members with Shri D.K. Valecha as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Nomination & Remuneration Committee was reconstituted to comprise Shri P.N.Dixit, M. Taj Mukarrum and Shri D.K. Singh as its members with Shri P.N. Dixit as Chairman.

During the financial year 2017-18, one (1) meeting of the committee was held on 19/06/2017, respectively.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PPTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, was appointed by Comptroller and Auditor General (C&AG) of India as Statutory Auditors of the Company for the financial year 2017-18.

Further, C&AG of India has appointed M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, as Statutory Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors' Report

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, the Statutory Auditors for the financial year 2017-18 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 27th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report. Copy of letter dated 27th July, 2018 of NIL comments received from C&AG is placed at **Annexure-III** to this report.

Secretarial Audit Report

M/s VAPN & Associates, Practicing Company Secretaries has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2018. The Secretarial Audit report is placed at **Annexure – IV** to this report. The Secretarial Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

Cost Auditors

Since the Turnover of the Company exceeded the prescribed limits under the Section 148 read with Companies (Cost Record and Audit) Rules, 2014, the requirement of appointing Cost Auditor became applicable with effect from the Financial Year 2018-19.

Your Company has appointed M/s Ujwal P. Loya & Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2018-19 under Section 148 of the Companies Act, 2018.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, is required to spend, atleast 2% of the Average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, PWTL has not satisfied any of the above criteria during the FY 2017-18, the provisions of Section 135 requiring to incur expenditure on CSR were not applicable on the Company for FY 2017-18.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, Power Grid Corporation of India Limited, the Comptroller & Auditor General of India and the Auditors of the Company.

For and on behalf of
POWERGRID Warora Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 6th September, 2018
Place: Gurgaon

POWERGRID WARORA TRANSMISSION LIMITED**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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

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

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

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

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 24.04.2015].
b	Nature of contracts/arrangements/transaction	Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs. 1780 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable. Part (C) Tripartite agreement for procurement of conductors by Company against tendering done by POWERGRID, as per which rights & liabilities assigned to Company.
c	Duration of the contracts/arrangements/transaction	Part (A) As mutually agreed Part (B) Commissioning of the project including associated reconciliation activities. Part (C) As mutually agreed
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	09.06.2015 & 27.12.2016 [for Part (A)], 29.02.2016 [for Part (B)], 29.05.2017[for Part (C)]

f	Amount paid as advances, if any	-
---	---------------------------------	---

For and on behalf of
POWERGRID Warora Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 6th September, 2018
Place: Gurgaon

POWERGRID WARORA TRANSMISSION LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL2014GOI269918
ii.	Registration Date	5 th August, 2014
iii.	Name of the Company	POWERGRID Warora Transmission Limited [formerly Gadarwara (A) Transco Limited]
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.N o.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	100

[illegible]

(Specify)									
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	25100000	25100000	100	0	176300000	176300000	100	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Power Grid Corporation of India Limited (POWERGRID)	25099994	100	-	176299994	100	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0	-	01	0	-	-
3.	Shri Ranjan Kumar Shrivastava jointly with POWERGRID*	01	0	-	-	-	-	-

4.	Shri Ravi P. Singh jointly with POWERGRID	01	0	-	01	0	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID**	01	0	-	-	-	-	-
6.	Shri D.K. Valecha jointly with POWERGRID	01	0	-	01	0	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0	-	01	0	-	-
8.	Shri K S R Murty jointly with POWERGRID*	-	-	-	01	0	-	-
9.	Smt. Seema Gupta jointly with POWERGRID**	-	-	-	01	0	-	-
Total		25100000	100	-	176300000	100	-	-

*01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 12.03.2018.

**01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 23.03.2018

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	25100000	100	25100000	100

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<ol style="list-style-type: none"> 99,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 20.12.2017 in terms of Section 62(1) of the Companies Act, 2013. 5,70,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 17.01.2018 in terms of Section 62(1) of the Companies Act, 2013. 4,03,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 20.02.2018 in terms of Section 62(1) of the Companies Act, 2013. 4,40,00,000 Equity Shares of Rs.10/- each were allotted to POWERGRID on 23.03.2018 in terms of Section 62(1) of the Companies Act, 2013. 01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 12.03.2018. 01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 23.03.2018. <p>(May please also refer information provided under Sr. No. IV (ii) above.</p>			
At the End of the year	176300000	100	176300000	100

iv. Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Smt. Seema Gupta, Chairperson				
	At the beginning of the year	0	0	01**	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	01 Equity share held by Shri R. P. Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 23.03.2018.			
	At the End of the year	01**	0	01**	0
2	Shri D.K. Valecha, Director*				
	At the beginning of the year	01**	0	01**	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01**	0	01**	0
3	Shri S. Vaithilingam, Director*				
	At the beginning of the year	01**	0	01**	0

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01**	0	01**	0
4	Shri V. K. Khare, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-
5	Shri D.K. Singh, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

*Ceased to be Director w.e.f. 30.04.2018.

**Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Rs. In Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	67542.55	-	67542.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1614.23	-	1614.23
Total (i+ii+iii)	-	69156.78	-	69156.78
Change in Indebtedness during the financial year				
- Addition		100964.84		100964.84
- Reduction		-		-
Net Change	-	100964.84	-	100964.84
Indebtedness at the end of the financial year				
i) Principal Amount		165787.17		165787.17
ii) Interest due but not paid		234.16		234.16
iii) Interest accrued but not due		4100.29		4100.29
Total (i+ii+iii)	-	170121.62		170121.62

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary Under section17(3) Income-tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
	<u>Independent Directors</u> •Fee for attending board committee meetings •Commission •Others ,please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> •Fee for attending board committee meetings •Commission •Others ,please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-

	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID Warora Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 6th September, 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF POWERGRID WARORA TRANSMISSION
LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of POWERGRID Warora Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of POWERGRID Warora Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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


(Vikram D. Murugaraj)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 27 July 2018



VAPN & ASSOCIATES.

COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT For the Financial Year ended on 31st March, 2018

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

To,
The Members,
Powergrid Warora Transmission Limited
CIN: U40106DL2013GOI256048
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi -110016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERGRID WARORA TRANSMISSION LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **POWERGRID WARORA TRANSMISSION LIMITED** for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and applicable provisions of the Companies Act, 1956;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



Delhi Office:
506, 5th Floor, B-8, GD IITL Twin Tower, Netaji
Subhash Place, Pitampura, Delhi-110034
email: prabhakar@vapn.in
Tel No. +91 9810011532

Gurugram Office:
Tower E-10C, Central Park Resort, Sohna Road
Gurugram, Haryana-122001
email: vandanasingh.vapn.in
Tel No. +91 9686453475

Hyderabad Office:
26, Lavender, L&T, Serene County
Telecom Nagar Gachibovli, Hyderabad
email: neetu@vapn.in
Tel No. +91 9717565903



VAPN & ASSOCIATES.

COMPANY SECRETARIES

3. The Depository Acts, 1996 and the Regulations and Bye Laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (are not applicable as the Company have not received any investment under FDI or any External Commercial Borrowing nor made any Overseas Direct investment during the financial year under the review)
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review)
 - (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015 (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (are not applicable as the Company have not issued any Equity Share Capital under ESOP Scheme during the financial year under the review)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (are not applicable as the Company do not have any Debt Securities Listed on Stock Exchange(s) during the financial year under the review);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company and dealing with clients; (are not applicable as the Company is not registered as a Registrar





VAPN & ASSOCIATES.

COMPANY SECRETARIES

to issue and Share Transfer Agent during the financial year under the review)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review)

We have also examined compliance with the applicable clauses of the following:-

- (i) The Secretarial Standards with regards to meeting of Board of Directors (SS1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and;
- (ii) The Listing Agreement entered by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not Applicable)

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

We further report that;

- The Board of Directors of the Company is duly constituted with required numbers Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Proper notice were given to all the directors of the schedule Board/ Committee and Shareholders Meetings, with agenda along with the detailed notes on agenda, and were circulated at least seven days in advance and a system exists for seeking and obtaining the further information and clarifications, wherever necessary, on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions were carried with the consent of all the Directors.

We further to report that the based on review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the respective Department heads and the Company Secretary, that were duly placed before and taken





VAPN & ASSOCIATES.

COMPANY SECRETARIES

on the record by the Board of Directors in their meeting(s), we are of the opinion that there are adequate systems and processes within the company that commensurate with the size and operations of the company to monitor and ensure the compliance with applicable laws, rules, regulations and guidelines. Further we observed that all the compliance has been maintained and done properly with respect to requirements under Corporate Laws and other allied Acts applicable on the Company.

**For VAPN & Associates
Company Secretaries**

Firm Registration No.: P2015DE045500

N. Sethi

CS Niti Sethi

Partner

M.No. 3211

CP No.: 17100



Place: New Delhi

Date: 30.07.2018



VAPN & ASSOCIATES.

COMPANY SECRETARIES

ANNEXURE

To,
The Members,
Powergrid Warora Transmission Limited
CIN: U40106DL2013GOI256048
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110016.

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

Management's Responsibility:

It is the responsibility of the management of the Company to maintain the secretarial records, and to devise proper systems, to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respects to Secretarial Compliances.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where-ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Our examination was limited to the verification of procedures on test basis.



Delhi Office:
506, 5th Floor, B-8, GD ITL Twin Tower, Netaji
Subhash Place, Pitampura, Delhi-110034
email: prabhakar@vapn.in
Tel No. +91 9810011532

Gurugram Office:
Tower E-10C, Central Park Resort, Sohna Road
Gurugram, Haryana-122001
email: vandanasingh.vapn.in
Tel No. +91 9686453475

Hyderabad Office:
26, Lavender, L&T, Serene County
Telecom Nagar Gachibowli, Hyderabad
email: neetu@vapn.in
Tel No. +91 9717565903



VAPN & ASSOCIATES.

COMPANY SECRETARIES

Disclaimer

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For VAPN & Associates

Company Secretaries

Firm Registration No.: P2015DE045500

M. Sethi

CS Niti Sethi

Partner

M.No. 3211

CP No.: 17100



Place: New Delhi

Date: 30.07.2018

PWTL
2017-18



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

POWERGRID WARORA TRANSMISSION LIMITED

Regd. Office :- B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016
Corp. Office :- 66, Samprii Nagar, Nari Ring Road, Uppalwadi, Nagpur -440026, MH
CIN : U40300DL2014GOI269918



ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor," Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032
Tel : (0712) 2734514, 2773649
E-mail: info@kelkarcoca.com
Website : www.kelkarcoca.com

Compliance Certificate

We have conducted the audit of annual stand-alone accounts of **M/s POWERGRID Warora Transmission Limited** for the year ended 31st March 2018 in accordance with the directions / sub - directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the direction/Sub-directions issued to us.



For M/s Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn.No-121920W

Signature:-
CA Abhijit Kelkar
Partner
Mem. No. 110841

Dated: - 23.05.2018
Place: - Nagpur



ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor," Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032
Tel : (0712) 2734514, 2773649
E-mail: info@kelkarcoca.com
Website : www.kelkarcoca.com

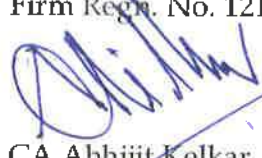
CERTIFICATE

We have Verified the relevant records and other documents of **M/s POWERGRID Warora Transmission Limited** having its registered office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016. On the basis of our verification, we do hereby certify that the Licence Fee calculated @ 0.11% on the Annual Transmission Charges for the F/Y 2017-18 as per Provisions of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 Dated 30th March 2012, works out as under :-

Transmission Charges for the F/Y 2017-18 (in ₹)	Licence Fee @ 0.11% (in ₹)
63,42,47,243	6,97,672

The Company's Liability Towards Licence Fee determined at ₹ 6,97,700 (₹ Six Lakhs Ninety Seven Thousand Seven Hundred Only) being Rounded Off to Nearest One Hundred Rupees as per Regulation 7(1) of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012.

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W


CA Abhijit Kelkar
Partner
(Mem. No. 110841)



Place: Nagpur
Date: 23.05.2018



ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor, "Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032

Tel : (0712) 2734514, 2773649

E-mail: info@kelkarcoca.com

Website : www.kelkarcoca.com

INDEPENDENT AUDITORS' REPORT

To the Members of **M/s POWERGRID Warora Transmission Limited**

Report on the Ind-AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID Warora Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the State of Affairs (Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the Accounting Principles Generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles Generally Accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March 2018, and its Profit/Loss (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.



✓

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 of India in terms of Section 143(11) of the Act, we give in "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.
 - d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
 - f. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
 - g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in Annexure "C".
 - 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, in



our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its Financial Position;
- ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W


CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Nagpur
Date: 23.05.2018



As referred to in our Independent Auditors' Report to the members of the M/s POWERGRID Warora Transmission Limited ('the Company'), on the Financial Statements for the Year Ended 31st March 2018, we report that:

		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The Co. is having Land, Few Misc. Bought Out Assets & Self-Generated Assets like Tower, SS, etc. No Physically Verification conducted during the year.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Title Deeds of Land Purchased are held in the Name of the Company.
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The Company has not granted any Loans to any parties Covered under section 189 of the Companies Act, 2013.
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c)	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable
(iv)		In respect of loans, investments, guarantees, and security whether	According to the information and explanations given to us, the Company



		provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
(v)		In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
(vi)		whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	There is no such Cost Records specified by Central Government u/s 148 of the Companies Act, 2013.
(vii)	(a)	Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including: i) Provident fund; ii) Employees' state insurance; iii) Income-tax; iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues. If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Sales 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 st March, 2018 for a period of more than six months from the date they became payable.
	(b)	where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been	Based on our audit and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise of Sales Tax



		deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be Mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	which have not been deposited.
(viii)		Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.	No Default
(ix)		Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The company has not raised Money by way of IPO & FPO including debt instruments. However, Loan from holding Company are applied for the purposes for which they are raised.
(x)		Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based on our audit Procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi)		Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	Based on our audit Procedures performed and the information and explanations given by the management, Managerial Remuneration & Other Payments relating to Staff are made from Holding Co. Hence, the clause is Not Applicable
(xii)		Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)		Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.



		etc., as required by the applicable accounting standards;	
(xiv)		Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)		Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	Based on our audit Procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)		Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



Place: Nagpur
Date : 23.05.2018

Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the **M/s POWERGRID Warora Transmission Limited ("The Company")**, on the Financial Statements for the Year Ended 31st March 2018, we Report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title / lease deeds are not available.	The Company is having Clear Title/Deeds for Freehold Land.	-----
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	According to the information and explanations given to us, there are no cases of waiver / write off of debts / loans / interest etc.	-----
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company has maintained adequate records in respect of Inventories lying with Third Parties. No Assets / Grants have been received by the company as gift from Govt. or Other Authorities.	-----

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



Place: Nagpur
Date: 23.05.2018



ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor," Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032
Tel : (0712) 2734514, 2773649
E-mail: info@kelkarcoca.com
Website : www.kelkarcoca.com

ANNEXURE - "C"

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Warora Transmission Limited** ("the Company"), on the Financial Statements for the year ended 31st March 2018

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 of the company as at 31st March 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial Control based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.



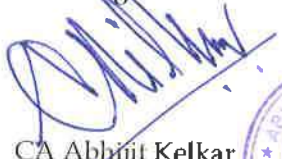
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2018, 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 Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W


CA Abhijit Kelkar
Partner

Mem. No. 110841



Place: Nagpur
Date: 23.05.2018

POWERGRID Warora Transmission Limited

CIN : U40300DL2014GOI269918

Balance Sheet as at 31st March 2018

(₹ in Lakhs)

Particulars	Note	As at 31 st March 2018	As at 31 st March 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	26,942.73	3,335.41
Capital Work-in-Progress	5	1,71,062.93	74,577.86
Intangible Assets under Development	6	1,054.85	0.62
Other Non-Current Assets	7	2,617.97	6,843.50
		<u>2,01,678.48</u>	<u>84,757.39</u>
Current Assets			
Financial Assets			
Trade Receivables	8	0.91	-
Cash and Cash Equivalents	9	795.90	166.13
Other Current Financial Assets	10	771.22	367.29
Other Current Assets	11	-	0.10
		<u>1,568.03</u>	<u>533.52</u>
Total Assets		<u>2,03,246.51</u>	<u>85,290.91</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	17,630.00	2,510.00
Other Equity	13	3,025.67	131.39
		<u>20,655.67</u>	<u>2,641.39</u>
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	1,65,787.17	67,542.55
Other Non-Current Financial Liabilities	15	-	1,053.11
Deferred Tax Liabilities (Net)	16	954.37	111.17
		<u>1,66,741.54</u>	<u>68,706.83</u>
Current Liabilities :			
Financial Liabilities			
Trade Payable	17	1.51	-
Other Current Financial Liabilities	18	15,270.87	13,619.23
Other Current Liabilities	19	569.72	322.92
Provisions	20	0.71	0.54
Current Tax Liabilities (Net)	21	6.49	-
		<u>15,849.30</u>	<u>13,942.69</u>
Total Equity and Liabilities		<u>2,03,246.51</u>	<u>85,290.91</u>

The accompanying Notes (1 to 44) form an Integral Part of Financial Statements.

As per Our Report on Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants,
Firm Regn No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN- 06636330

(M Taj Mukarrum)
Director
DIN-08097837

(I. Martin Jerome)
Chief Financial
Officer

(Anjana Luthra)
Company Secretary

Place : Nagpur
Date : 23.05.2018

Place : Gurugram
Date : 23.05.2018

POWERGRID Warora Transmission Limited

CIN : U40300DL2014GOI269918

Statement of Profit and Loss for the Year Ended 31st March 2018

(₹ in Lakhs)

Particulars	Note	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Revenue From Operations	22	6,369.72	366.22
Other Income	23	0.01	-
Total Income		6,369.73	366.22
EXPENSES			
Finance costs	24	1,461.21	23.26
Depreciation and amortization expense	25	1,232.77	37.85
Other Expenses	26	0.48	0.01
Total Expenses		2,694.46	61.12
Profit/(Loss) Before Tax		3,675.27	305.10
Tax Expense:			
(1) Current Tax		784.36	62.21
Less : MAT Credit Entitlement of			
Current Year		784.36	-
Previous Year		62.21	-
(2) Deferred Tax		843.20	111.17
		780.99	173.38
Profit (Loss) For the year		2,894.28	131.72
Other Comprehensive Income		-	-
Total Comprehensive Income For the year		2,894.28	131.72
Earnings per Equity Share (Par Value ₹ 10 each)			
(1) Basic (₹)		6.44	0.63
(2) Diluted (₹)		6.44	0.63

The accompanying Notes (1 to 44) form an Integral Part of Financial Statements.

As per Our Report on Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants,
Firm Regn No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN- 06636330

(M Taj Mukarrum)
Director
DIN-08097837

(I. Martin Jerome)
Chief Financial
Officer

(Anjana Luthra)
Company Secretary

Place : Nagpur
Date : 23.05.2018

Place : Gurugram
Date : 23.05.2018

POWERGRID Warora Transmission Limited

CIN : U40300DL2014GOI269918

Statement of Cash Flow for the Year Ended 31st March 2018

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	3,675.27	305.10
Adjustment for :		
Depreciation and Amortization Expense	1,232.77	37.85
MAT Credit Entitlement	(846.57)	-
Operating Profit before Changes in Assets & Liabilities	3,289.07	267.25
Adjustments For Changes in Assets & Liabilities :-		
(Increase)/Decrease in Other Non Current Assets	4,225.53	(6,493.20)
(Increase)/Decrease in Other Current Financial Assets	(403.93)	(367.21)
(Increase)/Decrease in Other Current Assets	0.10	(0.10)
Increase/(Decrease) in Other Non Current Liabilities	(1,053.11)	1,053.11
Increase/(Decrease) in Other Current Financial Liabilities	1,651.64	11,528.66
Increase/(Decrease) in Other Current Liabilities	246.80	243.41
Increase/(Decrease) in Provisions	0.17	0.30
Increase/(Decrease) in Trade Payables	1.51	-
(Increase)/Decrease in Trade Receivables	(0.91)	-
Increase/(Decrease) in Current Tax Liabilities	6.49	-
Cash Generated From Operations	7,963.36	6,232.22
Income Tax Paid	(784.36)	(62.21)
Net Cash from Operating Activities	7,179.00	6,170.01
B CASH FLOW FROM INVESTING ACTIVITIES		
Property Plant & Equipments and Capital Work in Progress	(1,18,859.62)	(74,919.26)
Intangible Assets under Developments	(1,054.23)	-
Net Cash used in Investing Activities	(1,19,913.85)	(74,919.26)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share capital	15,120.00	2,505.00
Inter Corporate Loan from Powergrid Corp. of India Ltd.	98,244.62	66,325.43
Net Cash from Financing Activities	1,13,364.62	68,830.43
D Net Change in Cash and Cash Equivalents (A+B+C)	629.77	81.18
E Cash and Cash Equivalents (Opening Balance)	166.13	84.95
F Cash and Cash Equivalents (Closing Balance) (D+E) (As Per Note 9)	795.90	166.13

Note 1 - Cash & Cash Equivalents consists of Cheques, Drafts, Stamps in hand, Balances with Banks and Deposits with Maturity of upto 3 Months

Note 2 - Previous Year Figures have been re-grouped/re-arranged wherever necessary.

The accompanying Notes (1 to 44) form an Integral Part of Financial Statements.
As per Our Report on Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants,
Firm Regn No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN- 06636330

(M Taj Mukarrum)
Director
DIN-08097837

(I. Martin Jerome)
Chief Financial
Officer

(Anjana Luthra)
Company Secretary

Place : Nagpur
Date : 23.05.2018

Place : Gurugram
Date : 23.05.2018

POWERGRID Warora Transmission Limited

CIN : U40300DL2014GOI269918

Statement of Changes in Equity for the Year Ended 31st March 2018**A. Equity Share Capital**

Particulars	(₹ In Lakhs)
As at 01 st April 2016	5.00
Changes in Equity Share Capital	2,505.00
As at 31 st March, 2017	2,510.00
Changes in equity share capital	15,120.00
As at 31 st March, 2018	17,630.00

B. Other Equity

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Self Insurance Reserve	Retained Earnings		
Balance As at 01 st April 2016	-	-0.33	-	-0.33
Total Comprehensive Income for the year	-	131.72	-	131.72
Transfer to Self Insurance Reserve	4.05	-4.05	-	-
Other Changes	-	-	-	-
Balance As at 31 st March 2017	4.05	127.34	-	131.39
Balance As at 01 st April 2017	4.05	127.34	-	131.39
Total Comprehensive Income for the year	-	2,894.28	-	2,894.28
Transfer to Self Insurance Reserve	33.85	-33.85	-	-
Other Changes	-	-	-	-
Balance As at 31 st March 2018	37.90	2,987.77	-	3,025.67

Refer Note 13 for Nature and Movement of Other Equity.

The accompanying Notes (1 to 44) form an Integral Part of Financial Statements.

As per Our Report on Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants,
Firm Regn No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN- 06636330

(M Taj Mukarrum)
Director
DIN-08097837

(I. Martin Jerome)
Chief Financial
Officer

(Anjana Luthra)
Company Secretary

Place : Nagpur
Date : 23.05.2018

Place : Gurugram
Date : 23.05.2018

POWERGRID Warora Transmission Limited
Note 4/Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				(₹ in Lakhs)	
	As at 01 st April 2017	Additions during the year	Disposal	Adjustment during the year	As at 31 st March 2018	As at 01 st April 2017	Additions during the year	Disposal	Adjustment during the year	Net Book Value
Land										
Freehold	1,231.84	32.50	-	-	1,264.34	-	-	-	-	1,231.84
Plant & Equipment										
Transmission	2,134.56	24,804.86	-	-	26,939.42	37.67	1,232.18	-	1,269.85	25,669.57
Furniture Fixtures	6.17	2.17	-	-	8.34	0.15	0.51	-	0.66	7.68
Office Equipment	0.69	0.10	-	-	0.79	0.03	0.05	-	0.08	0.71
Elec Data Processing & word Processing Mach	-	0.46	-	-	0.46	-	0.03	-	0.03	0.43
Total	3,373.26	24,840.09	-	-	28,213.35	37.85	1,232.77	-	1,270.62	26,942.73
										3,335.41

Further Note : The company owns 41.45 Hectare (Previous Year 41.45 Hectare) of Freehold Land amounting to ₹ 1264.34 Lakhs (Previous Year ₹ 1231.84 Lakhs) based on available Documentation.

Particulars	Gross Block				Accumulated Depreciation				(₹ in Lakhs)	
	As at 01 st April 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March 2017	As at 01 st April 2016	Additions during the year	Disposal	Adjustment during the year	Net Book Value
Land										
Freehold	-	1,231.84	-	-	1,231.84	-	-	-	-	1,231.84
Plant & Equipment										
Transmission	-	2,134.56	-	-	2,134.56	-	37.67	-	37.67	2,096.89
Furniture Fixtures	-	6.17	-	-	6.17	-	0.15	-	0.15	6.02
Office Equipment	-	0.69	-	-	0.69	-	0.03	-	0.03	0.66
Total	-	3,373.26	-	-	3,373.26	-	37.85	-	37.85	3,335.41

Further Note : The company acquired 41.45 Hectare (Previous Year Nil) of Freehold Land amounting to ₹ 1231.84 Lakhs (Previous Year Nil) for which mutation in revenue records is pending.



POWERGRID Warora Transmission Limited
Note 5/Capital Work in Progress

(₹ in Lakhs)				
Particulars	As at 01 st April 2017	Additions during the year	Adjustments	Capitalised during the year
Land				As at 31 st March 2018
Development of Land	1.76	-	-	1.76
Buildings				
Sub-Stations & Office	585.43	1,304.14	-	1,889.57
Plant & Equipments (including associated Civil Works)				
a) Transmission	37,005.74	97,606.16	-	23,391.53
b) Sub-Station	534.12	27,466.96	-	28,001.08
Expenditure During Construction Period (Net) (Note 27)	5,995.87	14,018.28	-	1,413.33
	44,122.92	1,40,395.54	-	24,804.86
Construction Stores	30,454.94	-	19,105.61	11,349.33
Total	74,577.86	1,40,395.54	19,105.61	1,71,062.93

(₹ in Lakhs)				
Particulars	As at 01 st April 2016	Additions during the year	Adjustments	Capitalised during the year
Land				As at 31 st March 2017
Development of Land	1.76	1,231.84	-	1,231.84
Buildings				
Sub-Stations & Office	-	585.43	-	585.43
Plant & Equipments (including associated Civil Works)				
a) Transmission	1,821.95	37,176.49	-	1,992.70
b) Sub-Station	-	534.12	-	534.12
Expenditure During Construction Period (Net) (Note 27)	894.33	5,243.40	-	141.86
	2,718.04	44,771.28	-	3,366.40
Construction Stores	238.11	30,216.83	-	30,454.94
Total	2,956.15	74,988.11	-	3,366.40
				74,577.86



Note 5/Capital Work in Progress (Details of Construction Stores)
(At cost)

Particulars	(₹ In Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Construction Stores		
Towers		
Conductors	2,285.58	12,873.86
Other Line Materials	6,355.30	14,839.26
Sub-Station Equipments	1,235.07	1,268.17
Unified Load Despatch & Communication (ULDC) Materials	1,199.85	1,079.05
Others	273.53	102.45
TOTAL	11,349.33	292.15
Construction Stores include:		
i) Material in Transit		
Towers	-	-
Other Line Materials	-	193.91
Others	-	292.15
Total	-	486.06
ii) Material with Contractors		
Towers		
Conductors	2,285.58	12,873.86
Other Line Materials	6,355.30	14,839.26
Sub-Station Equipments	1,235.07	1,074.26
Unified Load Despatch & Communication (ULDC) Materials	1,199.85	1,079.05
Others	273.53	102.45
Total	11,349.33	29,968.88
Grand Total	11,349.33	30,454.94



POWERGRID Warora Transmission Limited
Note 6/Intangible Assets under Development

					(₹ in Lakhs)
Particulars	As at 01 st April 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March 2018
Right of Way-Afforestation expenses	0.62	1,054.23	-	-	1,054.85
Total	0.62	1,054.23	-	-	1,054.85

					(₹ in Lakhs)
Particulars	As at 01 st April 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March 2017
Right of Way-Afforestation expenses	0.62	-	-	-	0.62
Total	0.62	-	-	-	0.62



POWERGRID Warora Transmission Limited**Note 7/Other Non-Current Assets****(Unsecured considered Good unless otherwise stated)****(₹ in Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances for Capital Expenditure		
Against Bank Guarantees	1,737.33	6,836.40
Security Deposits	0.81	0.30
Advances Recoverable in Cash or in Kind or for Value to be Received		
Balance with Customs Port Trust & Other Auth.	11.69	-
MAT Credit Entitlement	846.57	-
 Advance Tax and Tax Deducted at Source	 799.44	 69.01
Less: Current Tax	777.87	62.21
	21.57	6.80
 Total	 2,617.97	 6,843.50



POWERGRID Warora Transmission Limited
Note 8/Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Trade Receivables		
Unsecured Considered Good	0.91	-
Total	0.91	-



POWERGRID Warora Transmission Limited
Note 9/Cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Balance with Banks-		
-In Current Accounts	795.90	166.13
Total	795.90	166.13



POWERGRID Warora Transmission Limited**Note 10/Other Current Financial Assets****(Unsecured considered Good unless otherwise stated)****(₹ in Lakhs)**

Particulars	As at 31 st March 2018	As at 31 st March 2017
Unbilled Revenue *	757.12	366.22
Others **	14.10	1.07
Total	771.22	367.29

Further Note :

* Unbilled Revenue includes Transmission Charges for the month of March in the Financial Year amounting to ₹ 615.38 Lakhs (Previous Year ₹ 366.22 Lakhs from Dec-March) billed to beneficiaries in the month of April of Subsequent Financial Year and Transmission Incentive of ₹ 141.74 Lakhs (Previous Year Nil) for the Financial Year 2017-18 to be billed in Financial Year 2018-19.

** Others include ₹ 14.08 Lakhs Recoverable towards FQP Payment & ₹ 0.02 Lakhs towards TDS.



POWERGRID Warora Transmission Limited**Note 11/Other Current Assets****(Unsecured considered Good unless otherwise stated)**

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Others *	-	0.10
Total	-	0.10

Further Note :

Disclosure With regards to Micro and Small Enterprise as required under "The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note 36



POWERGRID Warora Transmission Limited
Note 12/Equity Share Capital

	(₹ in Lakhs)	
Particulars	As at 31 st March 2018	As at 31 st March 2017
Equity Share Capital		
Authorised		
22,50,00,000 (3,50,00,000 on 31.03.2017) Equity Shares of ₹ 10/- each at par	22,500.00	3,500.00
Issued, subscribed and paid up		
17,63,00,000 (2,51,00,000 on 31.03.2017) Equity Shares of ₹ 10/- each at par fully paid up	17,630.00	2,510.00
Total	17,630.00	2,510.00

Further Notes:

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

Particulars	For the Year Ended 31 st March 2018		For the Year Ended 31 st March 2017	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Shares Outstanding at the Beginning of the Year	2,51,00,000	2,510.00	50,000	5.00
Shares Issued during the year	15,12,00,000	15,120.00	2,50,50,000	2,505.00
Shares Outstanding at the End of the Year	17,63,00,000	17,630.00	2,51,00,000	2,510.00

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

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

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

Particulars	As at 31 st March 2018		As at 31 st March 2017	
	No. of Shares #	% of holding	No. of Shares #	% of holding
i) Power Grid Corporation of India Limited	17,63,00,000	100%	2,51,00,000	100%

Out of 176300000 Equity Shares (Previous Year 25100000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID Warora Transmission Limited

Note 13/Other Equity

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
<u>Self-Insurance Reserve #</u>		
Balance at the Beginning of the Year	4.05	-
Additions During The Year	33.85	4.05
Balance at the End of the Year	37.90	4.05
<u>Retained Earnings</u>		
Balance at the Beginning of the Year	127.34	-0.33
Net Profit for the Period	2,894.28	131.72
Transfer To Self Insurance Reserve	-33.85	-4.05
Balance at the End of the Year	2,987.77	127.34
Total	3,025.67	131.39

Further Note :

Self-Insurance Reserve

Self-Insurance Reserve is created @ 0.12% p.a. (Previous Year 0.12% p.a.) on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year to mitigate future losses from un-insured risk and for taking care of Contingencies in future by procurement of Towers and Other Transmission Line Materials including Strengthening of Towers and Equipments of AC Substations



POWERGRID Warora Transmission Limited
Note 14/Borrowings

Description	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Term Loan From Others		
Rupee Loans (Unsecured)		
Loan From M/s Power Grid Corporation of India Ltd. (Holding Co.)	1,65,787.17	67,542.55
Total	<u>1,65,787.17</u>	<u>67,542.55</u>

Further Note :

Inter Corporate Loan is provided by Holding Company on cost to cost basis at the rate of interest which varies from 7.20 % to 8.32 % repayable over a period of 4 to 15 years



POWERGRID Warora Transmission Limited
Note 15/Other Non-Current Financial Liabilities

(₹ in Lakhs)		
Particulars	As at 31 st	As at 31 st
	March 2018	March 2017
Dues for Capital Expenditure	-	1,053.11
Total	-	1,053.11

Further Note :

Disclosure With regards to Micro and Small Enterprise as required under "The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note 36



POWERGRID Warora Transmission Limited
Note 16/ Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Deferred Tax Liability		
Depreciation Difference on Property, Plant and Equipment	2,415.89	111.17
	2,415.89	111.17
Deferred Tax Assets		
Income Tax Loss	1,247.36	-
Depreciation Reversal within Tax Holiday Period	214.16	-
	1,461.52	-
Net Deferred Tax Liability	954.37	111.17

Movements in Deferred Tax Liabilities

(₹ in Lakhs)

	Property, Plant and Equipment	Others	Total
As at 01st April 2016	-	-	-
Charged/(Credited)			
- to Profit or Loss	111.17	-	111.17
- to Other Comprehensive Income	-	-	-
As at 31st March 2017	111.17	-	111.17
Charged/(Credited)			
- to Profit or Loss	2,304.72	-	2,304.72
- to Other Comprehensive Income	-	-	-
As at 31st March 2018	2,415.89	-	2,415.89

Movements in Deferred Tax Assets

(₹ in Lakhs)

	Property, Plant and Equipment	Others	Total
As at 01st April 2016	-	-	-
Charged/(Credited)			
- to Profit or Loss	-	-	-
- to Other Comprehensive Income	-	-	-
As at 31st March 2017	-	-	-
Charged/(Credited)			
- to Profit or Loss	214.16	1,247.36	1,461.52
- to Other Comprehensive Income	-	-	-
As at 31st March 2018	214.16	1,247.36	1,461.52

Amount taken to Statement of Profit and Loss

Particulars	As at 31 st March 2018	As at 31 st March 2017
Increase in Deferred Tax Liabilities	2,304.72	111.17
Increase in Deferred Tax Assets	1,461.52	-
Net Amount taken to Statement of Profit and Loss	843.20	111.17



POWERGRID Warora Transmission Limited
Note 17/ Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
For Goods & Services	1.51	-
Total	1.51	-

Further Note :

Disclosure With regards to Micro and Small Enterprise as required under "The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note 36



POWERGRID Warora Transmission Limited
Note 18/Other Current Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Interest Accrued but Not Due on Borrowings From		
Related Parties * - M/s Power Grid Corp. of India Ltd.	4,100.29	1,614.23
Others		
Dues for Capital Expenditure	2,217.48	8,697.91
Deposits/Retention Money from Contractors and Others	7,873.77	3,300.31
Related Parties * - M/s Power Grid Corp. of India Ltd.	932.28	-
Others **	147.05	6.78
Total	15,270.87	13,619.23

Further Note :

Disclosure with regards to Micro and Small Enterprise as required Under "The Micro, Small and Medium Enterprise Development Act 2006" is given in Note 36

* Breakup of Related Parties is provided in Note 38

** Others include ₹ 19.91 Lakhs towards TDS Deducted by Contractor on Intt on Advance & ₹ 127.14 Lakhs towards Custom Clearing Account



POWERGRID Warora Transmission Limited
Note 19/Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Statutory Dues	569.72	322.92
Total	569.72	322.92



POWERGRID Warora Transmission Limited
Note 20/ Provisions

	(₹ in Lakhs)	
Description	As at 31 st March 2018	As at 31 st March 2017
Provision Others		
As per last balance sheet	0.54	0.23
Additions during the year	0.59	0.54
Paid/ Adjusted during the year	0.42	0.23
Closing Balance	0.71	0.54
Total	0.71	0.54

Further Note :

Provision Others includes Provision towards Audit & Other Fees including Other Professional Charges.



POWERGRID Warora Transmission Limited
Note 21/ Current Tax Liabilities (Net)

Description	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Taxation (Including Interest on Tax)		
As per Last Balance Sheet	62.21	-
Additions During the year	784.36	62.21
	846.57	62.21
Net Off against Advance Tax and TDS (Note 7)	840.08	62.21
Closing Balance	6.49	-



POWERGRID Warora Transmission Limited
Note 22/Revenue From Operations

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Sale of Services		
Transmission Charges	6,369.72	366.22
Total	6,369.72	366.22



POWERGRID Warora Transmission Limited
Note 23/Other Income

	(₹ in Lakhs)	
Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Interest Income		
Interest from Advances to Contractors	87.22	82.61
Misc Income	0.01	-
	87.23	82.61
Less: Transferred to Expenditure During Construction (Net) - Note 27	87.22	82.61
Total	0.01	-



POWERGRID Warora Transmission Limited
Note 24/Finance Costs

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Interest & Finance Charges		
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	9,910.94	1,867.18
	9,910.94	1,867.18
Less: Transferred to Expenditure During Construction (Net) - Note 27	8,449.73	1,843.92
Total	1,461.21	23.26



POWERGRID Warora Transmission Limited
Note 25/Depreciation and Amortization Expense

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Depreciation of Property, Plant and Equipment	1,232.77	37.85
Total	1,232.77	37.85



POWERGRID Warora Transmission Limited
Note 26/Other Expenses

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Repair & Maintenance		
Sub-Stations	-	0.69
Power Charges	-	0.14
Legal Expenses	170.01	-
Professional Charges	0.37	0.21
Consultancy Charges	5,455.59	3,441.25
Tender Expenses	-	14.26
Communication Expenses	0.18	-
Payments to Statutory Auditors		
Audit Fees	0.35	0.34
Tax Audit Fees	0.16	0.12
Out of Pocket Expenses	0.24	0.01
	0.75	0.47
Advertisement and Publicity	0.99	6.03
System & Markt. Operating Charges	10.47	-
CERC Petition & Other Charges	6.98	5.00
Miscellaneous Expenses	3.37	0.32
Rates and Taxes	7.54	13.56
Other charges	-	0.17
	5,656.25	3,482.10
Less: Transferred to Expenditure During Construction (Net) - Note 27	5,655.77	3,482.09
Total	0.48	0.01



POWERGRID Warora Transmission Limited
Note 27/ Expenditure During Construction (Net)

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
A. Other Expenses		
Repair & Maintenance	-	0.69
Power Charges	-	0.14
Professional Charges	0.37	0.21
Consultancy Charges	5,455.59	3,441.25
Legal Expenses	170.01	-
Tender Expenses	-	14.26
Payment to Auditors	0.75	0.47
Advertisement and Publicity	0.99	6.03
Communication Expenses	0.18	-
Miscellaneous Expenses	20.34	5.48
Rates and Taxes	7.54	13.56
Total (A)	5,655.77	3,482.09
B. Finance Costs		
Interest on Term Loans	8,449.73	1,843.92
Total (B)	8,449.73	1,843.92
C. Less: Other Income		
Interest from Advance To Contractors	87.22	82.61
Total (C)	87.22	82.61
Grand Total (A+B-C)	14,018.28	5,243.40



POWERGRID Warora Transmission Limited

Note 28/ Employee Benefit Obligations

The Company does not have any Permanent Employees. The Personnel Working for the Company are from Holding Company on Secondment Basis and are working on Time Share Basis. The Employee Cost (including Retirement Benefits such as Gratuity, Leave encashment, Post-Retirement Benefits etc.) in respect of personnel working for the company are paid by Holding Company and Holding Company is raising the Invoice to the Subsidiary Company towards Consultancy Charges.

Since there are no Employees in the Company, the Obligation as per Ind AS 19 "Employee Benefits" does not arise. Accordingly, no provision is considered necessary for any Retirement Benefit like Gratuity, Leave Salary, Pension etc., in the books of the Company.



POWERGRID Warora Transmission Limited

Note 29/ Fair Value Measurements

Financial Instruments by Category	(₹ in Lakhs)			
	31 st March 2018		31 st March 2017	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial Assets				
Trade Receivables	-	0.91	-	-
Cash & Cash Equivalents	-	795.90	-	166.13
Other Financial Assets	-	771.22	-	367.29
Total Financial Assets	-	1,568.03	-	533.42
Financial Liabilities				
Borrowings	-	1,69,887.46	-	69,156.78
Other Financial Liabilities (Current & Non-Current)	-	11,172.09	-	13,058.11
Total Financial Liabilities	-	1,81,059.55	-	82,214.89

(i) Fair Value Hierarchy

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

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	(₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
As at 31st March 2018				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	-	1,64,110.57	-	1,64,110.57
Other Financial Liabilities	-	11,172.09	-	11,172.09
Total Financial Liabilities	-	1,75,282.66	-	1,75,282.66

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	(₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
As at 31st March 2017				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	-	68,438.82	-	68,438.82
Other Financial Liabilities	-	13,058.11	-	13,058.11
Total Financial Liabilities	-	81,496.93	-	81,496.93



Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost

	(₹ in Lakhs)			
	31 st March 2018		31 st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	1,69,887.46	1,64,110.57	69,156.78	68,438.82
Other Financial Liabilities	11,172.09	11,172.09	13,058.11	13,058.11
Total Financial Liabilities	1,81,059.55	1,75,282.66	82,214.89	81,496.93

The carrying amounts of Trade Payables, cash and cash equivalents, other current Financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



POWERGRID Warora Transmission Limited

Note 30/ Earnings Per Share

(in ₹)

(a) Basic Earnings Per Share attributable to the Equity Holders of the Company	31 st March 2018	31 st March 2017
From Continuing Operations	6.44	0.63
Total Basic and Diluted Earnings Per Share attributable to the Equity Holders of the Company	6.44	0.63

(₹ in Lakhs)

(b) Reconciliation of Earnings used as Numerator in Calculating Earnings Per Share	31 st March 2018	31 st March 2017
Earnings attributable to the Equity Holders of the Company including Movement in Regulatory Deferral Balances	2,894.28	131.72
Earnings attributable to the Equity Holders of the Company excluding Movement in Regulatory Deferral Balances	2,894.28	131.72
Total Earnings attributable to the Equity Holders of the Company	2,894.28	131.72

(No. of Shares)

(c) Weighted Average Number of Shares used as the Denominator	31 st March 2018	31 st March 2017
Weighted Average Number of Equity Shares used as the Denominator in calculating Basic Earnings per Share	4,49,24,110	2,08,44,932
Adjustments for calculation of Diluted Earnings per Share:	-	-
Total Weighted Average Number of Equity Shares used as the Denominator in Calculating Basic Earnings per Share	4,49,24,110	2,08,44,932



POWERGRID Warora Transmission Limited

Note 31/ Capital Management

(a) Risk Management

The Company's Objectives when Managing Capital are to

- maximize the Shareholder Value
- safeguard its ability to continue as a Going Concern
- maintain an Optimal Capital Structure to Reduce the Cost of Capital.

For the purpose of the Company's Capital Management, Equity Capital includes Issued Equity Capital, and all other Equity Reserves attributable to the Equity Holders of the Company. The Company manages its Capital Structure and makes adjustments in light of changes in Economic Conditions, Regulatory Framework. To maintain or adjust the Capital Structure, the company may adjust the Dividend Payment to Shareholders, Regulate Investments in New Projects, Return Capital to Shareholders or Issue New Shares.



POWERGRID Warora Transmission Limited

Note 32/Income Tax Expense

This Note provides an analysis of the Company's Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to The company's Tax Positions.

(a) Income Tax Expense		₹ in Lakhs	
Particulars	31 st March 2018	31 st March 2017	
<u>Current Tax</u>			
Current Tax on Profits for the year	784.36	62.21	
Total Current Tax Expense	784.36	62.21	
<u>Deferred Tax</u>			
(Decrease)/Increase in Deferred Tax Liabilities	2,304.72	111.17	
Decrease/(Increase) in Deferred Tax Assets	(1,461.52)	-	
Total Deferred Tax Expense/(Benefit)	843.20	111.17	
Income Tax Expense	1,627.56	173.38	
Less :- MAT Credit Entitlement	846.57	-	
Net Income Tax Expense	780.99	173.38	

(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:

		₹ in Lakhs	
Particulars	31 st March 2018	31 st March 2017	
Profit before Income Tax Expense	3,675.27	305.10	
Tax at the Indian Tax Rate @ 21.3416% (Previous Year @ 20.39%)	784.36	62.21	
Deferred Tax	843.20	111.17	
Total Current Tax Expense	1,627.56	173.38	

(c) MAT Credit

As Company has option to avail MAT Credit in future against Income Tax Payable and hence MAT paid during earlier & in Current Year are carried forward.



POWERGRID Warora Transmission Limited

Note 33/ Financial Risk Management

The Company's Principal Financial Liabilities Comprise Loans and Borrowings denominated in Indian Rupees or Foreign Currencies, Trade Payables and Other Payables. The Company Identifies, Evaluates and Manages Financial Risks in Close Co-Operation with the Company's Operating Units

The Company's Principal Financial Assets Comprise Advances to Contractors, Cash & Cash Equivalents that are generated from its Operations.

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

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

(A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

Cash and Cash Equivalents

The Company held cash and cash equivalents of ₹ 795.90 Lakhs (Previous Year ₹ 166.13 Lakhs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

(ii) Provision for Expected Credit Losses

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required

(B) Liquidity Risk

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

(ii) Maturities of Financial Liabilities



The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

					(₹ in Lakhs)
Contractual Maturities of Financial Liabilities:	Within 1 Year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 Years	Total
31st March 2018					
Non-Derivatives					
Borrowings	11,430.25	11,959.71	66,445.99	1,82,554.71	2,72,390.65
Other Financial Liabilities	11,172.09	-	-	-	11,172.09
Total Non-Derivative Liabilities	22,602.34	11,959.71	66,445.99	1,82,554.71	2,83,562.74
31st March 2017					
Non-Derivatives					
Borrowings	4,913.77	5,141.84	47,661.38	68,326.91	1,26,043.90
Other Financial Liabilities	12,005.00	1,053.11	-	-	13,058.11
Total Non-Derivative Liabilities	16,918.77	6,194.95	47,661.38	68,326.91	1,39,102.01

(C) Market risk

(i) Foreign Currency Risk

The Company is exposed to Currency Risk mainly in respect of procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission Tariff are regulated by the Central Electricity Regulatory Commission (CERC). In Respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of Transmission Tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's Exposure to Foreign Currency Risk at the end of the Reporting Period expressed in Rupees (₹) is Provided in Note 37



Warora Transmission Limited

Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Warora Transmission Limited ("the Company") domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India.

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

The Financial Statements of the Company for the year ended 31st March 2018 were approved for issue by the Board of Directors on 23rd May 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note No. 2.11.

iii) Functional and Presentation Currency

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

iv) Use of Estimates



POWERGRID Warora Transmission Limited

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The Company had opted to consider the Carrying Value of Property, Plant and Equipment as per Previous GAPP on the Date of Transition to Ind AS (01st April 2015) to be the Deemed Cost as per Ind AS 101 "First Time Adoption of Indian Accounting Standards".

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.



POWERGRID Warora Transmission Limited

Transmission system assets are considered as ready for intended use after meeting the conditions for Commercial Operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)



POWERGRID Warora Transmission Limited

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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

2.4 Intangible Assets and Intangible Assets under development

The Company had opted to consider the Carrying Value of Property, Plant and Equipment as per Previous GAPP on the Date of Transition to Ind AS (01st April 2015) to be the Deemed Cost as per Ind AS 101 "First Time Adoption of Indian Accounting Standards".

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.



POWERGRID Warora Transmission Limited

Expenditure on Research shall be recognized as an Expense when it is incurred.

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

2.5 Depreciation / Amortization

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff, except for assets specified in following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

Particulars	Useful Life
a. Computers & Peripherals	3 years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.



POWERGRID Warora Transmission Limited

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue

2.7 Impairment of Non-Financial Assets, other than Inventories

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of



POWERGRID Warora Transmission Limited

profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹ 5, 00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the



POWERGRID Warora Transmission Limited

arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) Finance lease

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

b) Operating lease

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost. The classification depends on the following:

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

Initial recognition and measurement



POWERGRID Warora Transmission Limited

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

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A Financial Asset is derecognized only when

- The right to receive cash flows from the assets have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.



POWERGRID Warora Transmission Limited

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets



POWERGRID Warora Transmission Limited

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables under Ind AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates ('the Functional Currency'). The Financial Statements are presented in Indian Rupees (Rupees or ₹), which is the Company's Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on



POWERGRID Warora Transmission Limited

the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the rates of exchange ruling on the date of Balance Sheet. Non-Monetary Items denominated in Foreign Currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for Accounting for Exchange Differences arising from Translation of Long Term Foreign Currency Monetary Liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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



POWERGRID Warora Transmission Limited

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

2.14.1 Revenue Recognition from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and the Long Term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the



POWERGRID Warora Transmission Limited

amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

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

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

2.17 Share Capital and Other Equity

Ordinary shares are classified as equity.

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

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriated of Current Year Profit to mitigate future losses from un-insured risk and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self-Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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



2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per Indirect Method prescribed in the Ind AS 7 "Statement of Cash Flows".

Note 3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.



POWERGRID Warora Transmission Limited

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



Note 34.

- a) Balances of Trade Receivables and Recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.
- (b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet

Note 35.

- a) FERV Loss/-Gain of ₹ Nil (Previous Year ₹ Nil) has been recognized in the Statement of Profit and Loss.
- b) Borrowing Cost of ₹ 8449.73 Lakhs (Previous Year ₹ 1843.92 Lakhs) has been adjusted in the Capital Work in Progress (CWIP) as per Ind AS 23- "Borrowing Costs".

Note 36.

Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	Nil Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without	Nil	Nil



	adding the interest specified under MSMED Act, 2006		
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

Note 37. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in Lakhs)		(₹ in Lakhs)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Payables/ Deposits and Retention Money	USD	4.02	5.21	244.58	338.23
Unexecuted Amount of contracts remaining to be executed	USD	5.43	35.96	355.26	2363.74

Note 38. Related Party Transactions**a) List of Holding Co.**

Name of Entity	Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		31 st March 2018	31 st March 2017
Power Grid Corporation of India Limited	India	100%	100%

b) List of Fellow Subsidiaries Co. (Subsidiary Co. of Holding Co.)

		Proportion of Ownership Interest
--	--	-------------------------------------



POWERGRID Warora Transmission Limited

Name of Entity	Place of Business / Country of Incorporation	31 st March 2018	31 st March 2017
Powergrid Vizag Transmission Limited	India	N/A	N/A
Powergrid NM Transmission Limited	India	N/A	N/A
Powergrid Unchahar Transmission Limited	India	N/A	N/A
Powergrid Kala Amb Transmission Limited	India	N/A	N/A
Powergrid Jabalpur Transmission Limited	India	N/A	N/A
Powergrid Parli Transmission Limited	India	N/A	N/A
Powergrid Southern Interconnector Transmission Limited	India	N/A	N/A
Powergrid Vemagiri Transmission Limited	India	N/A	N/A
Grid Conductors Limited *	India	N/A	N/A
Powergrid Medinipur Jeerat Transmission Limited [erstwhile Medinipur Jeerat Transmission Limited]	India	N/A	N/A
Powergrid Mithilanchal Transmission Limited ** [erstwhile ERSS XXI Transmission Limited]	India	N/A	N/A
WR-NR Transmission Limited ***	India	N/A	N/A

* Pursuant to Application Dated 13th June 2017 submitted to Ministry of Corporate Affairs for Striking Off the Name of Grid Conductors Limited, the Company ceases to be Wholly Owned Subsidiary.

** 100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018 by Holding Company.

*** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018 by Holding Company.

c) List of Fellow Joint Ventures (JVs of Holding Co.)

Name of Entity	Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		31 st March 2018	31 st March 2017
Powerlinks Transmission Limited	India	N/A	N/A
Torrent Power Grid Limited	India	N/A	N/A
Jaypee Powergrid Limited	India	N/A	N/A
Parbati Koldam Transmission Company Limited	India	N/A	N/A
Teestavalley Power Transmission Limited	India	N/A	N/A
North East Transmission Company Limited	India	N/A	N/A
National High Power Test Laboratory Private Limited	India	N/A	N/A
Bihar Grid Company Limited	India	N/A	N/A



POWERGRID Warora Transmission Limited

Kalinga Vidyut Prasaran Nigam Private Limited *	India	N/A	N/A
Cross Border Power Transmission Company Limited	India	N/A	N/A
RINL Powergrid TLT Private Limited	India	N/A	N/A
Power Transmission Company Nepal Ltd	Nepal	N/A	N/A

* POWERGRID's Board of Directors in its meeting held on 16th August 2017 accorded approval for initiating procedure for Winding Up / Removal for the Name of Kalinga Vidyut Prasaran Nigam Private Limited under Fast Track Exist Mode of Registrar of Companies (ROC).

d) List of Key Management Personnel

Name	Designation	Date of Appointment
Sh. R P Sasmal	Chairman	24.04.2015 and resigned on 28.02.2018
Smt. Seema Gupta	Chairperson	23.03.2018 and Continuing
Sh. D. K. Singh	Director	24.04.2015 and Continuing
Sh. D. K. Valecha *	Director	24.04.2015 and Continuing
Shri. S. Vaithilingam *	Director	24.04.2015 and Continuing
Shri Shrikant Gupta	Director	24.04.2015 and resigned on 06.09.2017
Shri. V. K. Khare	Director	07.09.2017 and Continuing

*ceased to be Director w.e.f. 30.04.2018

(e) Outstanding Balances arising from Sales/Purchases of Goods and Services

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

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Purchases of Goods and Services		
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	918.20	1465.47

(f) Investments Received during the year (Equity)

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	15120.00	2505.00

(g) Loans From Related Parties

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	165787.17	67542.55

(h) Interest Accrued on Loan



POWERGRID Warora Transmission Limited

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Holding Co.		
Power Grid Corporation of India Limited	4100.29	1614.23

(i) Transactions with related parties

The following transactions occurred with related parties:

1. Consultancy Charges

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Holding Co.		
Power Grid Corporation of India Limited	4662.29 (Excluding Taxes)	2992.39 (Excluding Taxes)

2. Interest on Loan

Particulars	(₹ in Lakhs)	
	31 st March 2018	31 st March 2017
Holding Co.		
Power Grid Corporation of India Limited	9910.94	1867.18

Note 39. Segment Information

Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

The Operations of the Company are mainly carried out within the Country and therefore, there is no reportable Geographical Segment.

Note 40 (a). Corporate Social Responsibilities (CSR)

As per section 135 of the Companies Act 2013, every company having net worth of Rupees Five Hundred Crore or more, or Turnover of Rupees One Thousand Crore or more or a Net Profit of Rupees Five Crore or more during immediately preceding Financial Year, the company is required to spend, at least Two per cent of the Average Net Profits of the Company made during the Three



POWERGRID Warora Transmission Limited

immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, PWTL has not satisfied any of the above criteria, Expenditure on account of CSR does not apply to the company."

Note 40 (b). Dividend

Dividend Not Recognised at the End of the Reporting Period

The Board of Directors on 23rd May 2018 recommended the payment of a Dividend of ₹ 0.57 per Fully Paid Equity Share. This proposed Dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting.

Note 41. Capital and Other Commitments

Particulars	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	12787.40	127573.41

Note 42. Contingent Liabilities and Contingent Assets

Contingent Liabilities

Contingent Liability as on 31st March 2018 is ₹ 33.14 Lakhs (Previous Year ₹ Nil) in respect of Company which is not acknowledged as Debt.

Contingent Assets as on 31st March 2018 is ₹ Nil (Previous Year ₹ Nil)

Note 43. Recent Accounting Pronouncements

Standard issued but Not Yet Effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers', Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and



services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 44. Previous Year Figures

1. The Previous Year's Figures have been reclassified/ re-grouped wherever necessary
2. Figures have been rounded off to nearest Rupees in Lakhs up to Two Decimal

The accompanying Notes (1 to 44) form an Integral Part of Financial Statements.


As per Our Report on Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants,
Firm Regn No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



For & On Behalf of The Board of Directors


(Seema Gupta)
Chairperson
DIN- 06636330


(M Taj Mukarrum)
Director
DIN-08097837


(I. Martin Jerome)
Chief Financial Officer


(Anjana Luthra)
Company Secretary

Place : Nagpur
Date : 23.05.2018

Place : Gurugram
Date : 23.05.2018

POWERGRID PARLI TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40109DL2014GOI269652)

ANNUAL REPORT (2017-18)

POWERGRID PARLI TRANSMISSION LIMITED

CIN: U40109DL2014GOI269652

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Fourth Annual Report of POWERGRID Parli Transmission Limited (PPTL) {formerly Gadarwara (B) Transmission Limited} on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Parli Transmission Limited {formerly Gadarwara (B) Transmission Limited} was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B). The transmission system is contemplated in the State of Maharashtra and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Parli. The Company was granted transmission license by CERC in July, 2015. The project had been progressively completed and declared for commercial operation on 04th June, 2018.

Financial Performance

As on 31st March, 2018, the project was under execution and the Company had not started commercial operation. The expenditure of Rs.1279.71/- Crore incurred during the year has been included under Capital Work in progress.

Share Capital

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 20 crore and Rs. 10 lakh respectively. Subsequently the Authorised Share Capital was increased to Rs. 220 Crore. Further the Subscribed and Paid up Capital was increased to Rs. 116.50Crore.

Dividend and Transfer to Reserves

Your Company's Project is under implementation hence, there is no operating income/profit.

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

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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/loss of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and

- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

There is no Conservation of Energy, Technology absorption and also there is no Foreign Exchange Earnings during the Financial Year 2017-18 however there is an outgo of Foreign Exchange amounting to ₹10,58,25,791/- during the Financial Year 2017-18.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure –II** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised four Directors viz. Smt. Seema Gupta, Shri D.K. Valecha, Shri S. Vaithilingam and Shri. V. K. Khare.

There were some changes in the Board of Directors of the Company during the financial year 2017-18. Shri S.K.Gupta and Shri R.P.Sasmal ceased to be Directors of the Company w.e.f 06/09/2017 and 28/02/2018, respectively. Shri V.K. Khare was appointed by the Board as Additional Director w.e.f 07/09/2017 and after your approval in the last Annual General Meeting (AGM) held on 29/09/2017 he was appointed as the Director of the Company. Further, Smt. Seema Gupta has been appointed as Additional Director w.e.f. 23/03/2018 who holds office upto the date of ensuing AGM.

Subsequently, after the end of the Financial Year 2017-18, Shri D.K. Valecha and Shri S. Vaithilingam also ceased to be Directors of the Company w.e.f 30/04/2018 and Shri Prem Narayan Dixit and Mohammed Taj Mukarrum have been appointed as Additional Directors w.e.f. 07/05/2018 who hold office upto the date of ensuing AGM.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Smt. Seema Gupta, Shri. Prem Narayan Dixit and Mohammed Taj Mukarrum as Directors liable to retire by rotation in the ensuing AGM.

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Shri V.K. Khare shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri Arunasis Basu has been appointed as the CFO and Ms. Shikha Gupta has been appointed as the Company Secretary of the Company with effect from 21/08/2018.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, ten (10) meetings of Board of Directors were held on 12/04/2017, 09/05/2017, 29/05/2017, 07/07/2017, 07/09/2017, 18/09/2017, 09/10/2017, 12/01/2018, 12/03/2018 and 23/03/2018. The details of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri R.P. Sasmal*	Chairman	8	8
Shri S.K. Gupta**	Director	4	0
Shri V.K. Khare***	Director	6	0
Shri D.K. Valecha^	Director	10	10
Shri S. Vaithilingam^	Director	10	10
Smt. Seema Gupta^^	Additional Director and Chairperson	0	0

*Ceased to be Director w.e.f 28/02/2018

**Ceased to be Director w.e.f 06/09/2017

***Appointed as Director w.e.f 07/09/2017

^Ceased to be Director w.e.f 30/04/2018

^^Appointed as Director w.e.f 23/03/2018

Committees of the Board

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. As on 31/03/2018, the Audit Committee comprised Shri D.K.Valecha, Shri S. Vaithilingam and Shri V.K. Khare as its members with Shri S. Vaithilingam as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Mohammed Taj Mukarrum, Shri P.N. Dixit and Shri V.K. Khare as its members with Mohammed Taj Mukarrum as Chairman.

During the financial year 2017-18, two (2) meetings of Audit committee were held on 29/05/2017 and 07/07/2017, respectively.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted in line with the requirement of the provisions of Section 178 of the Companies Act, 2013. As on 31/03/2018, the NRC comprised three members viz. Shri D.K. Valecha, Shri S. Vaithilingam and Shri V.K. Khare as its members with Shri D.K. Valecha as Chairman.

Subsequently, after the end of the Financial Year 2017-18, the Nomination & Remuneration Committee was reconstituted to comprise Shri P.N.Dixit, Mohammed Taj Mukarrum and Shri V.K. Khare as its members with Shri P.N. Dixit as Chairman.

During the year, no meeting of NRC was held.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PPTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, was appointed by Comptroller and Auditor General (C&AG) of India as Statutory Auditors of the Company for the financial year 2017-18.

Further, C&AG of India has appointed M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, as Statutory Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors' Report

M/s Abhijit Kelkar & Co., Chartered Accounts, Statutory Auditors for the financial year 2017-18 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 27th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 27th July, 2018 of NIL comments received from C&AG is placed at ***Annexure-III*** to this report.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

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

For and on behalf of
POWERGRID Parli Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 6th September, 2018
Place: Gurgaon

POWERGRID PARLI TRANSMISSION LIMITED**FORM NO. AOC -2**

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

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

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

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

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

Sl. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 24.04.2015]
b.	Nature of contracts/arrangements/transaction	Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs. 1780 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable. Part (C) Tripartite agreement for procurement of conductors by Company against tendering done by POWERGRID, as per which rights & liabilities assigned to Company.
c.	Duration of the contracts/arrangements/transaction	Part (A) As mutually agreed Part (B) Commissioning of the project including associated reconciliation activities. Part (C) As mutually agreed
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e.	Date of approval by the Board	09.06.2015 & 27.12.2016 [for Part (A)], 29.02.2016 [for Part (B)], 29.05.2017 [for Part (C)]

f.	Amount paid as advances, if any	-
----	---------------------------------	---

For and on behalf of
POWERGRID Parli Transmission Limited

-sd-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 6th September, 2018
Place: Gurgaon

POWERGRID PARLI TRANSMISSION LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40109DL2014GOI269652
ii.	Registration Date	30 th July, 2014
iii.	Name of the Company	POWERGRID Parli Transmission Limited [formerly Gadarwara (B) Transmission Limited]
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

[illegible]

Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	100000	100000	100	-	100000	100000	100	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii. **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Power Grid Corporation of India Limited (POWERGRID)	99994	99.994	-	99994	99.994	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.001	-	01	0.001	-	-
3.	Shri Ranjan Kumar Shrivastava jointly with POWERGRID*	01	0.001	-	-	-	-	(0.001)
4.	Shri Ravi P Singh jointly with POWERGRID	01	0.001	-	01	0.001	-	-

5.	Shri R.P. Sasmal jointly with POWERGRID**	01	0.001	-	-	-	-	(0.001)
6.	Shri D.K. Valecha jointly with POWERGRID	01	0.001	-	01	0.001	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.001	-	01	0.001	-	-
8.	Shri K S R Murty jointly with POWERGRID*	-		-	01	0.001	-	0.001
9.	Smt. Seema Gupta jointly with POWERGRID**	-		-	01	0.001	-	0.001
Total		100000	100	-	100000	100	-	-

*01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 12.03.2018.

**01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 23.03.2018.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	100000	100	100000	100

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>There was no change in promoters shareholding however there were 2 (two) changes in the POWERGRID's nominees (Individuals) who hold 1 equity share each jointly with POWERGRID. They are as follows:</p> <ol style="list-style-type: none"> 1. 01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 12.03.2018. 2. 01 Equity share held by Shri R. P. Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 23.03.2018. <p><i>(May please also refer information provided under Sr. No. IV (ii) above).</i></p>			
At the End of the year	100000	100	100000	100

iv. Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Smt. Seema Gupta, Chairperson				
	At the beginning of the year	0	0.000	01**	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	01 Equity share held by Shri R.P. Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 23.03.2018.			
	At the End of the year	01**	0.001	01**	0.001
2	Shri D.K. Valecha, Director*				
	At the beginning of the year	01**	0.001	01**	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	01**	0.001	01**	0.001
3	Shri S. Vaithilingam, Director*				
	At the beginning of the year	01**	0.001	01**	0.001

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	01**	0.001	01**	0.001
4	Shri V. K. Khare, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-

*Ceased to be Director w.e.f. 30.04.2018

** Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	44539.26	-	44539.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	998.73	-	998.73
Total(i+ii+iii)	-	45537.99	-	45537.99

Change in Indebtedness during the financial year				
- Addition	-	105469.26	-	105469.26
- Reduction	-	-	-	-
Net Change	-	105469.26	-	105469.26
Indebtedness at the end of the financial year				
i) Principal Amount	-	147658.49	-	147658.49
ii) Interest due but not paid	-	182.3	-	182.3
iii) Interest accrued but not due	-	3166.46	-	3166.46
Total (i+ii+iii)	-	151007.25	-	151007.25

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager				Total Amount
1.	Gross salary	-	-	-	-	-
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	c) Profits in lieu of salary u/S 17(3) Income Tax Act, 1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as% of profit					
	- Others, specify...					
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others ,please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others ,please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: [Not Applicable]

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID Parli Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

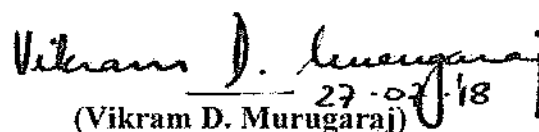
Date: 6th September, 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF POWERGRID PARLI TRANSMISSION LIMITED
FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of POWERGRID Parli Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of POWERGRID Parli Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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


(Vikram D. Murugaraj) 27-07-18

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 27 July 2018

PPTL
2017-18



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

POWERGRID PARLI TRANSMISSION LIMITED

Regd. Office :- B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016
Corp. Office :- 66, Sampriiti Nagar, Nari Ring Road, Uppalwadi, Nagpur -440026, MH
CIN : U40109DL2014GOI269652



ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor," Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032
Tel : (0712) 2734514, 2773649
E-mail: info@kelkarcoca.com
Website : www.kelkarcoca.com

Compliance Certificate

We have conducted the audit of annual stand-alone accounts of **M/s POWERGRID Parli Transmission Limited** for the year ended 31st March 2018 in accordance with the directions / sub - directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the direction/Sub-directions issued to us.

For M/s Abhijit Kelkar & Co.,

Chartered Accountants

Firm Regn.No-121920W



Signature:

Name:- CA Abhijit Kelkar
Partner

Membership No.:- 110841

Dated: - 23.05.2018

Place: - Nagpur



ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor," Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032
Tel : (0712) 2734514, 2773649
E-mail: info@kelkarcoca.com
Website : www.kelkarcoca.com

INDEPENDENT AUDITORS' REPORT

To the Members of **M/s POWERGRID Parli Transmission Limited**

Report on the Ind-AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID Parli Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the state of affairs (Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles Generally Accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March 2018, and its Profit/Loss (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.



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 of India in terms of Section 143(11) of the Act, we give in "**Annexure "A"**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure "B"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.
 - d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - f. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
 - g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in **Annexure "C"**.



- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its Financial Position;
 - ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Abhijit Kelkar & Co.,

Chartered Accountants

Firm Regn. No. 121920W

CA Abhijit Kelkar

Partner

Mem. No. 110841

Place: Nagpur

Date: 23.05.2018



Annexure - "A"

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Parli Transmission Limited ('the Company')**, on the Financial Statements for the Year Ended 31st March, 2018, we report that:

		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Land is the only Fixed Asset. No Physically Verification conducted during the year.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	The Land Purchased from Government on the Basis of Allotment. Conveyance Deed & mutation are not applicable in the present case since acquired from Government. Hence, Title Deeds of all immovable properties are held in the Name of the Company.
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The Company has not granted any Loans to any parties Covered under section 189 of the Companies Act, 2013.
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c)	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable



(iv)		In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
(v)		In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
(vi)		whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	There is no such Cost Records specified by Central Government u/s 148 of the Companies Act, 2013.
(vii)	(a)	Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including: i) Provident fund; ii) Employees' state insurance; iii) Income-tax; iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues. If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Sales 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 st March, 2018 for a period of more than six months from the date they became payable.
	(b)	where dues of income tax or sales tax or service tax or duty of customs or duty of	Based on our audit and explanations given to us, there are no disputed dues of Duty of



		excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be Mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	Customs or Duty of Excise or Sales Tax which have not been deposited.
(viii)		Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.	No Default
(ix)		Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The company has not raised Money by way of IPO & FPO including debt instruments. However, Loan from holding Company are applied for the purposes for which they are raised.
(x)		Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based on our audit Procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi)		Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	Based on our audit Procedures performed and the information and explanations given by the management, Managerial Remuneration & Other Payments relating to Staff are made from Holding Co. Hence, the clause is Not Applicable
(xii)		Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)		Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc.,	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.



		as required by the applicable accounting standards;	
(xiv)		Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)		Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	Based on our audit Procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)		Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Nagpur
Date: 23.05.2018



Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the M/s POWERGRID Parli Transmission Limited ('The Company'), on the Financial Statements for the Year Ended 31st March 2018, we Report that:

S. No.	Directions	Auditors Comments	Action Taken By Management	Impact on Financial Statements
1.	Whether the company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings/flats for which title / lease deeds are not available.	The Company is having clear title/deeds for freehold land, leasehold land, buildings and flats except as provided in Annexure I.	N/A	Nil
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	There are no cases of waiver / write off of debts / loans / interest etc. except as provided in Annexure II.	N/A	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company has maintained adequate records in respect of inventories lying with third parties. However, No Asset have been received as gift, grant(s) from Govt. or other authorities.	Proper Records are maintained	Nil

For Abhijit Kelkar & Co.,

Chartered Accountants

Firm Regn. No. 121920W

CA Abhijit Kelkar

Partner

Mem. No. 110841

Place: Nagpur

Date: 23.05.2018



Annexure I

Details of Freehold Land, Leasehold Land, Buildings and Flats for which Title/Lease Deeds are not available

(A) Freehold Land

Profit Centre	No. of Cases	Area of Land (in hectares)	Gross Block as on 31.03.2018 (in Rs. crores)	Net Block as on 31.03.2018 (in Rs. crores)	Remarks
----- NIL -----					

(B) Leasehold Land

Profit Centre	No. of Cases	Area of Land (in hectares)	Gross Block as on 31.03.2018 (in Rs. crores)	Net Block as on 31.03.2018 (in Rs. crores)	Remarks
----- NIL -----					

(C) Buildings & Flats

Profit Centre	No. of Cases	Area of Land	Gross Block as on 31.03.2018 (in Rs. crores)	Net Block as on 31.03.2018 (in Rs. crores)	Remarks
----- NIL -----					



Annexure II

Details of Waiver / Write off of Debts / Loans / Interest etc.

Nature of Amount Recoverable (Debt/Loan/Interest etc.)	Customer/Vendor Name	Customer/Vendor Code	Profit Centre	Amount (in Rs crores)	Reason for Waiver/Write Off
----- NIL -----					





ABHIJIT KELKAR & CO.

CHARTERED ACCOUNTANTS

Ground Floor," Shrinivas," Kelkar Bldg.,
Badkas Chowk, Mahal, Nagpur - 440 032
Tel : (0712) 2734514, 2773649
E-mail: info@kelkarcoca.com
Website : www.kelkarcoca.com

ANNEXURE - "C"

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Parli Transmission Limited** ("the Company"), on the Financial Statements for the year ended 31st March 2018

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 of the company as at 31st March 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial Control based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material

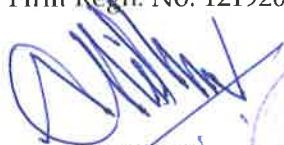


misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2018, 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 Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W



CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Nagpur
Date: 23.05.2018



POWERGRID Parli Transmission Limited

CIN : U40109DL2014GOI269652

Balance Sheet as at 31st March 2018

(₹ in Lakhs)

Particulars	Note No	As at 31 st March 2018	As at 31 st March 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	413.91	413.91
Capital Work-in-Progress	5	1,65,041.29	50,628.47
Intangible Assets Under Development	6	816.83	-
Other Non-Current Assets	7	1,186.27	5,634.06
		<u>1,67,458.30</u>	<u>56,676.44</u>
Current Assets			
Financial Assets			
Cash and Cash Equivalents	8	765.87	76.70
Other Current Financial Assets	9	0.85	1.24
		<u>766.72</u>	<u>77.94</u>
Total Assets		<u>1,68,225.02</u>	<u>56,754.38</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	10.00	10.00
Other Equity	11	-0.02	-0.02
		<u>9.98</u>	<u>9.98</u>
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	1,47,658.49	44,539.26
Other Non-Current Financial Liability	13	-	1,716.23
		<u>1,47,658.49</u>	<u>46,255.49</u>
Current Liabilities			
Financial Liabilities			
Other Current Financial Liability	14	20,003.34	10,209.34
Other Current Liabilities	15	552.65	279.14
Provisions	16	0.56	0.43
Current Tax Liabilities (Net)	17	-	-
		<u>20,556.55</u>	<u>10,488.91</u>
Total Equity and Liabilities		<u>1,68,225.02</u>	<u>56,754.38</u>

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

As Per Our Report of Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841

Place : Nagpur
Date : 23.05.2018



For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN-06636330

(M. Taj Mukarrum)
Director
DIN-08097837

Place : Gurugram
Date : 23.05.2018

POWERGRID Parli Transmission Limited

CIN : U40109DL2014GOI269652

Statement of Profit and Loss for the Year Ended 31st March 2018

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Revenue From Operations		-	-
Other Income	18	-	0.45
Total Income		-	0.45
EXPENSES			
Finance Costs	19	-	-
Depreciation and Amortization Expense		-	-
Other Expenses	20	-	-
Total Expenses		-	-
Profit/(Loss) Before Tax		-	0.45
Tax Expense:			
Current Tax		-	0.14
Deferred Tax		-	-
		-	0.14
Profit (Loss) for the Period		-	0.31
Other Comprehensive Income		-	-
Total Comprehensive Income for the Period		-	0.31
Earnings per Equity Share (Par Value ₹ 10 each)			
Basic (₹)		-	0.34
Diluted (₹)		-	0.34

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

As Per Our Report of Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



Place : Nagpur
Date : 23.05.2018

For & On Behalf of The Board of Directors


(Seema Gupta)
Chairperson
DIN-06636330


(M Taj Mukarrum)
Director
DIN-08097837

Place : Gurugram
Date : 23.05.2018

POWERGRID Parli Transmission Limited

CIN : U40109DL2014GOI269652

Statement of Cash Flows for the Year Ended 31st March 2018

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	-	0.45
Operating Profit / (Loss) before Working Capital Changes	-	0.45
Adjustments For Changes in Assets and Liabilities :		
(Increase)/Decrease in Other Non-Current Assets	4,447.79	(5,633.81)
(Increase)/Decrease in Other Current Financial Assets	0.39	(1.24)
Increase/ (Decrease) in Trade Payable	-	(0.18)
Increase/ (Decrease) in Other Non Current Financial Liabilities	(1,716.23)	1,716.23
Increase/ (Decrease) in Other Current Financial Liabilities	9,794.00	8,321.72
Increase/ (Decrease) in Other Current Liabilities	273.51	233.95
Increase/ (Decrease) in Provisions	0.13	0.43
Cash Generated From Operations	12,799.59	4,637.55
Income Tax Paid	-	(0.14)
Net Cash from Operating Activities	12,799.59	4,637.41
B CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipments and Capital Work in Progress	(1,15,229.65)	(48,633.04)
Net Cash used in Investing Activities	(1,15,229.65)	(48,633.04)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	5.00
Long Term Loan From Power Grid Corp. of India Ltd.	1,03,119.23	44,011.76
Net Cash from Financing Activities	1,03,119.23	44,016.76
D Net Change in Cash and Cash Equivalents (A+B+C)	689.17	21.13
E Cash and Cash Equivalents (Opening Balance)	76.70	55.57
F Cash and Cash Equivalents (Closing Balance) (D+E) (As Per Note 8)	765.87	76.70

Note 1 - Cash & Cash Equivalents consists of Cheques, Drafts, Stamps in hand, Balances with Banks and Deposits with Maturity of upto 3 Months

Note 2 - Previous Year Figures have been re-grouped/re-arranged wherever necessary.

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

As Per Our Report of Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN-06636330

(M Taj Mukarrum)
Director
DIN-08097837

Place : Nagpur
Date : 23.05.2018

Place : Gurugram
Date : 23.05.2018

POWERGRID Parli Transmission Limited

CIN : U40109DL2014GOI269652

Statement of Changes in Equity for the Year Ended 31st March 2018**A. Equity Share Capital**

	(₹ in Lakhs)
As at 1 st April 2016	5.00
Changes in Equity Share Capital	5.00
As at 31 st March 2017	10.00
Changes in Equity Share Capital	-
As at 31 st March 2018	10.00

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Self Insurance Reserve	Retained Earnings	Other Comprehensive Income	
Balance As at 01 st April 2016	-	-0.33	-	-0.33
Total Comprehensive Income for the year	-	0.31	-	0.31
Transfer to Self Insurance Reserve	0.31	-0.31	-	-
Other Changes	-	-	-	-
Balance As at 31 st March 2017	0.31	-0.33	-	-0.02
Balance As at 01 st April 2017	0.31	-0.33	-	-0.02
Total Comprehensive Income for the year	-	-	-	-
Transfer to Self Insurance Reserve	-	-	-	-
Other Changes	-	-	-	-
Balance As at 31 st March 2018	0.31	-0.33	-	-0.02

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

Refer to Note 11 for Nature & Movement of Other Equity.

As Per Our Report of Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841

Place : Nagpur
Date : 23.05.2018

For & On Behalf of The Board of Directors

(Seema Gupta)
Chairperson
DIN-06636330

Place : Gurugram
Date : 23.05.2018

(M Taj Mukarrum)
Director
DIN-08097837

Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Parli Transmission Limited ("the Company") domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India.

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

The Financial Statements of the Company for the year ended 31st March 2018 were approved for issue by the Board of Directors on 23rd May 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note No. 2.11.

iii) Functional and Presentation Currency

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

iv) Use of Estimates



The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The Company had opted to consider the Carrying Value of Property, Plant and Equipment as per Previous GAAP on the Date of Transition to Ind AS (01st April 2015) to be the Deemed Cost as per Ind AS 101 "First Time Adoption of Indian Accounting Standards".

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.



Transmission system assets are considered as ready for intended use after meeting the conditions for Commercial Operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)



Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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

2.4 Intangible Assets and Intangible Assets under development

The Company had opted to consider the Carrying Value of Property, Plant and Equipment as per Previous GAAP on the Date of Transition to Ind AS (01st April 2015) to be the Deemed Cost as per Ind AS 101 "First Time Adoption of Indian Accounting Standards".

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.



Expenditure on Research shall be recognized as an Expense when it is incurred.

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

2.5 Depreciation / Amortization

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff, except for assets specified in following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

Particulars	Useful Life
a. Computers & Peripherals	3 years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.



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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue

2.7 Impairment of Non-Financial Assets, other than Inventories

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of



profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹ 5, 00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the



arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) **Finance lease**

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

b) **Operating lease**

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) **As a Lessee**

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost. The classification depends on the following:

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

Initial recognition and measurement



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

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A Financial Asset is derecognized only when

- The right to receive cash flows from the assets have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.



The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets



In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables under Ind AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates ('the Functional Currency'). The Financial Statements are presented in Indian Rupees (Rupees or ₹), which is the Company's Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the



rates of exchange ruling on the date of Balance Sheet. Non-Monetary Items denominated in Foreign Currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for Accounting for Exchange Differences arising from Translation of Long Term Foreign Currency Monetary Liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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



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

2.14.1 Revenue Recognition from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and the Long Term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are



discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

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

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

2.17 Share Capital and Other Equity

Ordinary shares are classified as equity.

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

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriated of Current Year Profit to mitigate future losses from un-insured risk and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self-Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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

2.19 Earnings per Share

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



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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per Indirect Method prescribed in the Ind AS 7 "Statement of Cash Flows".

Note 3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



POWERGRID Parli Transmission Limited
Note 4/Property, Plant and Equipment

Particulars	Cost			Accumulated Depreciation			Net Book Value	
	As at 01 st April 2017	Additions during the year	Disposal	Adjustment during the year	As at 31 st March 2018	As at 01 st April 2017	As at 31 st March 2018	As at 31 st March 2017
Land								
Freehold	413.91	-	-	-	413.91	-	413.91	413.91
Total	413.91	-	-	-	413.91	-	413.91	413.91

Further Note - The Company owns 27.11 Hectare (Previous Year 27.11 Hectare) of Freehold Land amounting to ₹ 413.91/- Lakhs (Previous Year ₹ 413.91 Lakhs) based on available documentation.

Particulars	Cost			Accumulated Depreciation			Net Book Value	
	As at 01 st April 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March 2017	As at 01 st April 2016	As at 31 st March 2017	As at 31 st March 2016
Land								
Freehold	-	413.91	-	-	413.91	-	413.91	-
Total	-	413.91	-	-	413.91	-	413.91	-

Further Note - The Company owns 27.11 Hectare (Previous Year Nil) of Freehold Land amounting to ₹ 413.91/- Lakhs (Previous Year ₹ Nil) based on available documentation.



POWERGRID Parli Transmission Limited
Note 5/Capital Work in Progress

(₹ in Lakhs)				
Particulars	As at 01 st April 2017	Additions during the year	Adjustments	Capitalised during the year
Buildings				
Sub-Stations & Office	204.92	1,716.69	-	-
Plant & Equipments (including associated civil works)				1,921.61
a) Transmission	28,645.46	93,144.83	-	-
b) Sub-Station	25.69	21,520.80	-	-
Expenditure Pending Allocation				1,21,790.29
Expenditure During Construction Period (Net) (Note 21)	4,052.24	11,589.06	-	-
Construction Stores (Net of Provisions)	17,700.16		13,558.56	4,141.60
Grand Total	50,628.47	1,27,971.38	13,558.56	1,65,041.29

(₹ in Lakhs)				
Particulars	As at 01 st April 2016	Additions during the year	Adjustments	Capitalised during the year
Land				
Development of land	2.47	411.44	-	413.91
Buildings				
Sub-Stations & Office	-	204.92	-	-
Plant & Equipments (including associated civil works)				204.92
a) Transmission	1,866.30	26,779.16	-	-
b) Sub-Station	-	25.69	-	-
Expenditure Pending Allocation				28,645.46
Expenditure During Construction Period (Net) (Note 21)	540.56	3,511.68	-	-
Construction Stores (Net of Provisions)	-	17,700.16	-	-
Grand Total	2,409.33	48,633.05	-	413.91
				50,628.47



Note 5/Capital Work in Progress (Details of Construction Stores)
(At cost)

		(₹ in Lakhs)	
Particulars		As at 31 st March 2018	As at 31 st March 2017
Construction Stores			
Towers			
Conductors		630.21	8,967.03
Other Line Materials		1,874.42	7,672.34
Sub-Station Equipments		908.66	1,030.04
Unified Load Despatch & Communication(ULDC) Materials		599.14	0.38
Others		128.50	30.37
TOTAL		0.67	-
Construction Stores include:			
i)Material in Transit			
Other Line Materials			
Total		9.89	287.52
ii) Material with Contractors			
Towers			
Conductors		630.21	8,967.03
Other Line Materials		1,874.42	7,672.34
Sub-Station Equipments		898.77	742.52
Unified Load Despatch & Communication(ULDC) Materials		599.14	0.38
Others		128.50	30.37
Total		0.67	-
Grand Total		4,131.71	17,412.64
		4,141.60	17,700.16



POWERGRID Parli Transmission Limited
Note 6/ Intangible Assets Under Development

Particulars	(₹ in Lakhs)			
	As at 01 st April 2017	Additions during the year	Adjustments	Capitalised during the year
Intangible Assets Under Development				
Right of Way-Afforestation Expenses	-	816.83	-	-
Total	-	816.83	-	-
Previous year	-	-	-	-
				816.83
				816.83



POWERGRID Parli Transmission Limited**Note- 7/Other Non-Current Assets****(Unsecured considered Good unless otherwise stated)**

(₹ in Lakhs)		
Particulars	As at 31st March 2018	As at 31st March 2017
Advances for Capital Expenditure		
Against Bank Guarantees	1,164.04	5,620.83
Security Deposits	0.25	0.25
Advances Recoverable in Cash or in Kind or for Value to be Received		
Advance Tax and Tax Deducted at Source	21.98	13.12
Less: Current Tax	-	0.14
	21.98	12.98
Total	1,186.27	5,634.06



POWERGRID Parli Transmission Limited
Note 8/Cash and Cash Equivalents

(₹ in Lakhs)		
Particulars	As at 31 st March 2018	As at 31 st March 2017
Balance with Banks		
-In Current accounts	765.87	76.70
Total	765.87	76.70



POWERGRID Parli Transmission Limited**Note 9/Other Current Financial Assets****(Unsecured considered Good unless otherwise stated)****(₹ in Lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
Others Receivable	0.85	1.24
Total	0.85	1.24

Further Note :-

Others Receivable includes Amount Receivable from State Bank of India, Chhaoni Branch, Nagpur Towards Excess Debit Made by Bank.



POWERGRID Parli Transmission Limited

Note 10/Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Equity Share Capital		
Authorised		
2,00,00,000 (Previous Year 2,00,00,000) equity shares ₹ 10/- each at par	2,000.00	2,000.00
Issued, subscribed and paid up		
1,00,000(Previous Year 1,00,000) Equity shares of ₹ 10/- each at par fully paid up	10.00	10.00
Total	10.00	10.00

Further Notes:

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

Particulars	For the Year Ended 31 st March 2018		For the Year Ended 31 st March 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares outstanding at the beginning of the year	1,00,000	10.00	50,000	5.00
Shares Issued during the year	-	-	50,000	5.00
Shares outstanding at the end of the year	1,00,000	10.00	1,00,000	10.00

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

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

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

Particulars	As at 31 st March 2018		As at 31 st March 2017	
	No. of Shares #	% of holding	No. of Shares #	% of holding
Power Grid Corporation of India Limited (Holding Co.)	100000	100%	100000	100%

Out of 1,00,000 Equity Shares (Previous Year 1,00,000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID Parli Transmission Limited
Note 11/Other Equity

	(₹ in Lakhs)	
Particulars	As at 31 st March 2018	As at 31 st March 2017
Reserve & Surplus		
<u>Self-Insurance Reserve #</u>		
Balance at the Beginning of the Year	0.31	-
Additions During The Year	-	0.31
Balance at the End of the Year	0.31	0.31
<u>Retained Earnings</u>		
Balance at the Beginning of the Year	-0.33	-0.33
Net Profit for the Period	-	0.31
Transfer To Self Insurance Reserve	-	-0.31
Balance at the End of the Year	-0.33	-0.33
Total	-0.02	-0.02

Self-Insurance Reserve

Self-Insurance Reserve is created in Previous Year @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year to mitigate future losses from un-insured risk and for taking care of Contingencies in future by procurement of Towers and Other Transmission Line Materials including Strengthening of Towers and Equipments of AC Substations

Since there is No Profit, No Self-Insurance Reserve is Created for the Current Year.



POWERGRID Parli Transmission Limited
Note 12/Borrowings

(₹ in Lakhs)

Description	As at 31 st March 2018	As at 31 st March 2017
Term Loan From Others		
Rupee Loans (Unsecured)		
Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.)	1,47,658.49	44,539.26
Total	1,47,658.49	44,539.26

Further Note - Inter Corporate Loan is provided by Holding Company on Cost to Cost Basis at the Rate of Interest which varies from 7.20% To 8.32% repayable over a Period of 4 to 15 Years.



POWERGRID Parli Transmission Limited
Note 13/Other Non-Current Financial Liabilities

	(₹ in Lakhs)	
Particulars	As at 31 st March 2018	As at 31 st March 2017
Other liabilities		
Dues for Capital Expenditure	-	1,716.23
Total	-	1,716.23

Further Note :

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



POWERGRID Parli Transmission Limited
Note 14/Other Current Financial Liability

(₹ in Lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017
Interest Accrued but Not Due on Borrowings From		
Related Parties ** - M/s Power Grid Corp. of India Ltd.	3,166.46	998.73
Others		
Dues for Capital Expenditure	6,875.59	4,892.84
Deposits/Retention money from contractors and others.	8,445.39	4,303.38
Related Parties ** - M/s Power Grid Corp. of India Ltd.	1,461.49	-
Others	54.41	14.39
Total	20,003.34	10,209.34

Further Note :

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

** Breakup of Related Parties is provided in Note 32



POWERGRID Parli Transmission Limited
Note 15/Other Current Liabilities

(₹ in Lakhs)		
Particulars	As at 31 st March 2018	As at 31 st March 2017
Statutory Dues	552.65	279.14
Total	552.65	279.14



POWERGRID Parli Transmission Limited
Note 16/ Provisions

Description	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Provision Others		
As per Last Balance Sheet	0.43	-
Additions during the year	0.44	0.43
Less : Paid/(Adjustments) during the year	0.31	-
Closing Balance	0.56	0.43

Further Note :

Provision includes Other Professional Charges



POWERGRID Parli Transmission Limited
Note 17/ Current Tax Liabilities (Net)

Description	(₹ in Lakhs)	
	As at 31 st March 2018	As at 31 st March 2017
Taxation (Including Interest on Tax)		
As per Last Balance Sheet	-	-
Additions During the Year	-	0.14
Net Off with Advance Tax & TDS (Note 7)	-	0.14
Closing Balance	-	-



POWERGRID Parli Transmission Limited
Note 18/Other Income

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Interest from Advances to Contractors	145.96	267.85
FERV Gain	-	0.45
	145.96	268.30
Less: Transferred to Expenditure during Construction (Net)-Note 21	145.96	267.85
Total	-	0.45



POWERGRID Parli Transmission Limited
Note 19/Finance Costs

	(₹ in Lakhs)	
Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	6,920.29	1,141.60
Other Finance Charges	0.03	
	6,920.32	1,141.60
Less: Transferred to Expenditure during Construction (Net) - Note 21	6,920.32	1,141.60
Total	-	-



POWERGRID Parli Transmission Limited
Note 20/Other Expenses

	(₹ in Lakhs)	
Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
Legal Expenses	5.90	-
Professional Charges	0.24	0.21
Consultancy Expenses	4,799.42	2,608.00
Tender Expenses	2.06	8.04
Payments to Statutory Auditors		
Audit Fees	0.35	0.35
Out of Pocket Expenses	-	0.02
	0.35	0.37
Advertisement and Publicity	1.30	14.98
Books Periodicals and Journals		0.05
CERC petition & Other charges	5.00	5.00
Miscellaneous Expenses	0.07	1.20
Rates and Taxes	0.03	0.07
Hiring of Vehicle	0.33	-
Other charges		0.01
	4,814.70	2,637.93
Less: Transferred to Expenditure during Construction (Net) - Note 21	4,814.70	2,637.93
Total	-	-



POWERGRID Parli Transmission Limited
Note 21/ Expenditure during Construction (Net)

	(₹ in Lakhs)	
Particulars	For the Year Ended 31 st March 2018	For the Year Ended 31 st March 2017
A. Other Expenses		
Legal Expenses	5.90	-
Professional Charges	0.24	0.21
Consultancy Expenses	4,799.42	2,608.00
Tender Expenses	2.06	8.04
Payment to Auditors	0.35	0.36
Advertisement and Publicity	1.30	14.99
Books, Periodicals and Journals	-	0.05
Miscellaneous Expenses	5.07	6.21
Rates and Taxes	0.03	0.07
Hiring of Vehicle	0.33	
Total (A)	4,814.70	2,637.93
B. Finance Costs		
Interest on Term Loans	6,920.29	1,141.60
Other Borrowing Costs	0.03	-
Total (B)	6,920.32	1,141.60
C. Less: Other Income		
Interest from Advance To Contractors	145.96	267.85
Total (C)	145.96	267.85
Grand Total (A+B-C)	11,589.06	3,511.68



POWERGRID Parli Transmission Limited

Note 22/ Employee Benefit Obligations

The Company does not have any Permanent Employees. The Personnel Working for the Company are from Holding Company on Secondment basis and are working on Time Share Basis. The Employee Cost (including Retirement Benefits such as Gratuity, Leave encashment, Post-Retirement Benefits etc.) in respect of personnel working for the company are paid by Holding Company and Holding Company is raising the Invoice to the Subsidiary Company towards Consultancy Charges.

Since there are no Employees in the Company, the Obligation as per Ind AS 19 "Employee Benefits" does not arise. Accordingly, no provision is considered necessary for any Retirement Benefit like Gratuity, Leave Salary, Pension etc., in the books of the Company.



POWERGRID Parli Transmission Limited

Note 23/ Fair Value Measurements

(₹ in Lakhs)

Financial Instruments by Category	31 st March 2018		31 st March 2017	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial Assets				
Cash & Cash Equivalents	-	765.87	-	76.70
Other Financial Assets	-	0.85	-	1.24
Total Financial Assets	-	766.72	-	77.94
Financial Liabilities				
Borrowings	-	1,50,824.95	-	45,537.99
Other Financial Liabilities (Current & Non-Current)	-	16,836.88	-	10,926.84
Total Financial Liabilities	-	1,67,661.83	-	56,464.83

(i) Fair Value Hierarchy

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

(₹ in Lakhs)

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	Level 1	Level 2	Level 3	Total
As at 31st March 2018				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				-
Borrowings	-	1,45,570.25		1,45,570.25
Other Financial Liabilities		16,836.88		16,836.88
Total Financial Liabilities	-	1,62,407.13	-	1,62,407.13

(₹ in Lakhs)

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	Level 1	Level 2	Level 3	Total
As at 31st March 2017				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				-
Borrowings	-	44,909.18	-	44,909.18
Other Financial Liabilities		10,926.84		10,926.84
Total Financial Liabilities	-	55,836.02	-	55,836.02



Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity which are traded in the stock exchanges is valued using the closing price as at the reporting period.



Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair Value of Financial Assets and Liabilities measured at Amort (₹ in Lakhs)

	31 st March 2018		31 st March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	1,50,824.95	1,45,570.25	45,537.99	44,909.18
Other Financial Liabilities	16,836.88	16,836.88	10,926.84	10,926.84
Total Financial Liabilities	1,67,661.83	1,62,407.13	56,464.83	55,836.02

The carrying amounts of Trade Payables, cash and cash equivalents, other current Financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



POWERGRID Parli Transmission Limited

Note 24/ Earnings Per Share

(in ₹)

(a) Basic Earnings Per Share attributable to the Equity Holders of the Company	31 st March 2018	31 st March 2017
From Continuing Operations	-	0.34
Total Basic and Diluted Earnings Per Share attributable to the Equity Holders of the Company	-	0.34

(₹ in Lakhs)

(b) Reconciliation of Earnings used as Numerator in Calculating Earnings Per Share	31 st March 2018	31 st March 2017
Earnings attributable to the Equity Holders of the Company including Movement in Regulatory Deferral Balances	-	0.31
Earnings attributable to the Equity Holders of the Company excluding Movement in Regulatory Deferral Balances	-	0.31
Total Earnings attributable to the Equity Holders of the Company	-	0.31

(No. of Shares)

(c) Weighted Average Number of Shares used as the Denominator	31 st March 2018	31 st March 2017
Weighted Average Number of Equity Shares used as the Denominator in calculating Basic Earnings per Share	1,00,000	91,507
Adjustments for calculation of Diluted Earnings per Share:	-	-
Total Weighted Average Number of Equity Shares used as the Denominator in Calculating Basic Earnings per Share	1,00,000	91,507



POWERGRID Parli Transmission Limited

Note 25/ Capital Management

(a) Risk Management

The Company's Objectives when Managing Capital are to

- maximize the Shareholder Value
- safeguard its ability to continue as a Going Concern
- maintain an Optimal Capital Structure to Reduce the Cost of Capital.

For the purpose of the Company's Capital Management, Equity Capital includes Issued Equity Capital, and all other Equity Reserves attributable to the Equity Holders of the Company. The Company manages its Capital Structure and makes adjustments in light of changes in Economic Conditions, Regulatory Framework. To maintain or adjust the Capital Structure, the company may adjust the Dividend Payment to Shareholders, Regulate Investments in New Projects, Return Capital to Shareholders or Issue New Shares.



POWERGRID Parli Transmission Limited

Note 26/Income Tax Expense

This Note provides an analysis of the Company's Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to The company's Tax Positions.

	(₹ in Lakhs)	
Particulars	31 st March 2018	31 st March 2017
(a) Income Tax Expense		
<u>Current Tax</u>		
Current Tax on Profits for the year	-	0.14
Total Current Tax Expense	-	0.14
Income Tax Expense	-	0.14

(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:

	(₹ in Lakhs)	
Particulars	31 st March 2018	31 st March 2017
Profit before Income Tax Expense	-	0.45
Tax at the Indian Tax Rate (Previous Year @ 30.90%)	-	0.14
Income Tax Expense	-	0.14



POWERGRID Parli Transmission Limited

Note 27/ Financial Risk Management

The Company's Principal Financial Liabilities Comprise Loans and Borrowings denominated in Indian Rupees or Foreign Currencies, Trade Payables and Other Payables. The Company Identifies, Evaluates and Manages Financial Risks in Close Co-Operation with the Company's Operating Units

The Company's Principal Financial Assets Comprise Advances to Contractors, Cash & Cash Equivalents that are generated from its Operations.

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

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

(A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

Cash and Cash Equivalents

The Company held cash and cash equivalents of ₹ 765.87/- Lakhs (Previous Year ₹ 76.70/- Lakhs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

(ii) Provision for Expected Credit Losses

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required

(B) Liquidity Risk

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

(ii) Maturities of Financial Liabilities



The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)					
Contractual Maturities of Financial Liabilities:	Within 1 Year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 Years	Total
31st March 2018					
Non-Derivatives					
Borrowings	10,457.67	10,961.18	53,468.13	1,77,960.70	2,52,847.69
Other Financial Liabilities	16,836.88	-	-	-	16,836.88
Total Non-Derivative Liabilities	27,294.55	10,961.18	53,468.13	1,77,960.70	2,69,684.57
31st March 2017					
Non-Derivatives					
Borrowings	3,096.75	3,391.70	30,981.75	49,112.26	86,582.46
Other Financial Liabilities	9,210.61	1,716.23	-	-	10,926.84
Total Non-Derivative Liabilities	12,307.36	5,107.93	30,981.75	49,112.26	97,509.30

(C) Market risk

(i) Foreign Currency Risk

The Company is exposed to Currency Risk mainly in respect of procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission Tariff are regulated by the Central Electricity Regulatory Commission (CERC). In Respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of Transmission Tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's Exposure to Foreign Currency Risk at the end of the Reporting Period expressed in Rupees (₹) is Provided in Note 31



Note 28.

- a) Balances of Trade Receivables and Recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.
- (b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet

Note 29.

- a) FERV Loss/-Gain of ₹ Nil (Previous Year - ₹ 0.45/- Lakhs) has been recognized in the Statement of Profit and Loss.
- b) Borrowing Cost of ₹ 6920.32/- Lakhs (Previous Year ₹ 1141.60/- Lakhs) has been adjusted in the Capital Work in Progress (CWIP) as per Ind AS 23- "Borrowing Costs".

Note 30.

Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	Nil Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil



4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

Note 31. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in Lakhs)		(₹ in Lakhs)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Payables/ Deposits and Retention Money	USD	2.43	1.30	155.98	87.96
Unexecuted Amount of contracts remaining to be executed	USD	1.31	72.31	85.44	4753.05

Note 32: Related Party Transactions

a) List of Holding Co.

Name of Entity	Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		31 st March 2018	31 st March 2017
Power Grid Corporation of India Limited	India	100%	100%

b) List of Fellow Subsidiaries Co. (Subsidiary Co. of Holding Co.)

Name of Entity	Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		31 st March 2018	31 st March 2017
Powergrid Vizag Transmission Limited	India	N/A	N/A
Powergrid NM Transmission Limited	India	N/A	N/A
Powergrid Unchahar Transmission Limited	India	N/A	N/A
Powergrid Kala Amb Transmission	India	N/A	N/A



Limited			
Powergrid Jabalpur Transmission Limited	India	N/A	N/A
Powergrid Warora Transmission Limited	India	N/A	N/A
Powergrid Southern Interconnector Transmission Limited	India	N/A	N/A
Powergrid Vemagiri Transmission Limited	India	N/A	N/A
Grid Conductors Limited *	India	N/A	N/A
Powergrid Medinipur Jeerat Transmission Limited [erstwhile Medinipur Jeerat Transmission Limited]	India	N/A	N/A
Powergrid Mithilanchal Transmission Limited ** [erstwhile ERSS XXI Transmission Limited]	India	N/A	N/A
WR-NR Transmission Limited ***	India	N/A	N/A

* Pursuant to Application Dated 13th June 2017 submitted to Ministry of Corporate Affairs for Striking Off the Name of Grid Conductors Limited, the Company ceases to be Wholly Owned Subsidiary.

** 100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018 by Holding Company.

*** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018 by Holding Company.

c) List of Fellow Joint Ventures (JVs of Holding Co.)

Name of Entity	Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		31 st March 2018	31 st March 2017
Powerlinks Transmission Limited	India	N/A	N/A
Torrent Power Grid Limited	India	N/A	N/A
Jaypee Powergrid Limited	India	N/A	N/A
Parbati Koldam Transmission Company Limited	India	N/A	N/A
Teestavalley Power Transmission Limited	India	N/A	N/A
North East Transmission Company Limited	India	N/A	N/A
National High Power Test Laboratory Private Limited	India	N/A	N/A
Bihar Grid Company Limited	India	N/A	N/A
Kalinga Vidyut Prasaran Nigam Private Limited *	India	N/A	N/A
Cross Border Power Transmission Company Limited	India	N/A	N/A
RINL Powergrid TLT Private Limited	India	N/A	N/A
Power Transmission Company Nepal Ltd	Nepal	N/A	N/A

* POWERGRID's Board of Directors in its meeting held on 16th August 2017 accorded approval for initiating procedure for Winding Up / Removal for the Name of Kalinga Vidyut Prasaran Nigam Private Limited under Fast Track Exist Mode of Registrar of Companies (ROC).



d) List of Key Management Personnel

Name	Designation	Date of Appointment
Sh. R P Sasmal	Chairman	24.04.2015 and resigned on 28.02.2018
Smt. Seema Gupta	Chairperson	23.03.2018 and Continuing
Sh. D. K. Valecha*	Director	24.04.2015 and Continuing
Shri. S. Vaithilingam*	Director	24.04.2015 and Continuing
Shri Shrikant Gupta	Director	24.04.2015 and resigned on 06.09.2017
Shri. V. K. Khare	Director	07.09.2017 and Continuing

* Ceased to be Director w.e.f. 30.04.2018

(e) Outstanding Balances arising from Sales/Purchases of Goods and Services

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

(₹ in Lakhs)		
Particulars	31 st March 2018	31 st March 2017
Purchases of Goods and Services		
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	1461.49	1076.21

(f) Investments Received during the year (Equity)

(₹ in Lakhs)		
Particulars	31 st March 2018	31 st March 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	Nil	5.00

(g) Loans From Related Parties

(₹ in Lakhs)		
Particulars	31 st March 2018	31 st March 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	147658.49	44539.26

(h) Interest Accrued on Loan

(₹ in Lakhs)		
Particulars	31 st March 2018	31 st March 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	3166.46	998.73

(i) Transactions with related parties

The following transactions occurred with related parties:



1. Consultancy Charges

(₹ in Lakhs)		
Particulars	31 st March 2018	31 st March 2017
Holding Co.		
Power Grid Corporation of India Limited	4091.48 (Excluding Taxes)	2267.83 (Excluding Taxes)

2. Interest on Loan

(₹ in Lakhs)		
Particulars	31 st March 2018	31 st March 2017
Holding Co.		
Power Grid Corporation of India Limited	6920.29	1141.60

Note 33. Segment Information

Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

The Operations of the Company are mainly carried out within the Country and therefore, there is no reportable Geographical Segment.

Note 34. Capital and Other Commitments

(₹ in Lakhs)		
Particulars	As at 31 st March 2018	As at 31 st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	12491.36	105076.38

Note 35. Contingent Liabilities and Contingent Assets

Contingent Liabilities

Contingent Liability as on 31st March 2018 is ₹ 25.79 Lakhs (Previous Year Nil) in respect of Company which is not acknowledged as Debt.



Note 36. Recent Accounting Pronouncements

Standard issued but Not Yet Effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers', Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 37. Previous Year Figures

1. The Previous Year's Figures have been reclassified/re-grouped wherever necessary
2. Figures have been rounded off to nearest Rupees in Lakhs up to Two Decimal

As Per Our Report of Even Date

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841



Place : Nagpur
Date : 23.05.2018

For & On Behalf of The Board of Directors


(Seema Gupta)
Chairperson
DIN-06636330


(M Taj Mukarrum)
Director
DIN-08097837

Place : Gurugram
Date : 23.05.2018

**POWERGRID SOUTHERN INTERCONNECTOR
TRANSMISSION SYSTEM LIMITED**

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40106DL2015GOI278746)

ANNUAL REPORT (2017-18)

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

CIN: U40106DL2015GOI278746

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I on behalf of the Board of Directors present the Third Annual Report of POWERGRID Southern Interconnector Transmission System Limited (formerly Vemagiri II Transmission Limited) on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) (formerly Vemagiri II Transmission Limited) was acquired by Power Grid Corporation of India Limited (POWERGRID) on 4th December, 2015 under Tarrif based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for "Strengthening of Transmission System Beyond Vemagiri" Project on build, own operate and maintain (BOOM) basis. The transmission project comprising of 765 kV & 400 kV, D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400kV bay extension at two existing sub-stations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016.

Financial Performance

As on 31st March, 2018, the Company has not yet started commercial operations as the project is under execution. The expenditure of ₹1947.68 Crore incurred during the year has been included under Capital Work in progress.

Share Capital

As on 31st March, 2018, the Company had Authorized Capital of ₹1Crore and Paid up Share Capital of ₹5 Lac divided into 50,000 equity shares of ₹10/- each.

Dividend and Transfer to Reserves

Your Company's Project is under implementation hence, there is no operating profit.

Particulars of Loans, Guarantees or Investments

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgements 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/loss of the company for that period;
- iii. 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;

- iv. the Directors had prepared the Annual Accounts on a going concern basis; and
- v. 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.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at **Annexure –II** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018 the Board of the Company comprised, Shri Ravi P. Singh, Shri D. K. Valecha, Shri K. S. R. Murty, and Shri V. Sekhar.

There were some changes in the Board of Director of the Company during the financial year 2017-18. Shri Ranjan Kumar Srivastava ceased to be director of the Company with effect from 07th February, 2018 and accordingly Shri K. S. R. Murty was appointed as Additional Director with effect from 08th February, 2018 who hold office upto the date of ensuing Annual General Meeting.

Subsequently, after the end of the Financial Year 2017-18, Shri D. K. Valecha also ceased to be Director of the Company w.e.f 30th April, 2018 and Shri D. C. Joshi has been appointed as Additional Director w.e.f. 07th May, 2018 who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri K. S. R. Murty and Shri D. C. Joshi as Director, liable to retire by rotation in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 read with Articles of Association of the Company, Shri V. Sekhar shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, there is no KMP appointed in the Company.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, Seven (7) Board meetings were held on 17.04.2017, 12.07.2017, 18.09.2017, 22.12.2017, 04.01.2018, 07.02.2018 and 19.03.2018. The detail of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri Ravi P. Singh	Chairman	7	7
Shri D. K. Valecha*	Director	7	7
Shri Ranjan Kumar Srivastava**	Director	5	5
Shri V. Sekhar	Director	7	1
Shri K.S.R. Murty***	Director	1	1

*Ceased to be Director w.e.f 30/04/2018

**Ceased to be Director w.e.f 07/02/2018

***Appointed Director w.e.f 08/02/2018

Committees of the Board

Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has constituted Audit Committee of Directors. The Audit Committee comprises three members as on 31.03.2018 viz. Shri K.S.R. Murty, Shri D. K. Valecha as its members and Shri Ravi P. Singh as Chairman of the Committee.

Subsequently, after the end of the Financial Year 2017-18, the Audit Committee was reconstituted to comprise Shri Ravi P. Singh, Shri K.S.R. Murty and Shri D. C. Joshi as its members with Shri Ravi P. Singh as Chairman.

During the financial year 2017-18, one meetings of Audit committee was held on 12.07.2017.

Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted Nomination & Remuneration Committee of Directors (the NRC). The NRC comprises three members as on 31.03.2018 viz. Shri K.S.R. Murty, Shri Ravi P. Singh as its members and Shri D.K.Valecha as Chairman of the Committee.

Subsequently, after the end of the Financial Year 2017-18, the Nomination & Remuneration Committee was reconstituted to comprise Shri Ravi P. Singh, Shri K.S.R. Murty and Shri D. C. Joshi as its members with Shri Ravi P. Singh as Chairman.

There was no meeting of Nomination & Remuneration Committee held during the financial year 2018-19.

Statutory Auditors

M/s D Siva Nageswara Rao & Co., Chartered Accountants, Hyderabad was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2017-18.

Further, Comptroller and Auditor General of India has appointed M/s D Siva Nageswara Rao & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company for the financial year 2017-18

Statutory Auditors' Report

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

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 30th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 30th July, 2018 received from C&AG is placed at ***Annexure-III*** to this report.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, exempting the Government Companies to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

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

For and on behalf of
**POWERGRID Southern Interconnector
Transmission System Limited**

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 03rd September, 2018
Place: Gurgaon

**POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION
SYSTEM LIMITED**

FORM NO. AOC -2

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

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

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

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

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

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited Holding Company of POWERGRID Southern Interconnector Transmission System Limited

b	Nature of contracts/arrangements/transaction	<p>Part (A) POWERGRID to provide security (ies) / guarantee(s) in connection with loan (s) and / or any form of debt including ECBs and / or to provide inter corporate loan (s) on cost to cost basis, upto an amount of Rs. 2924 Crore (Rupees Two Thousand nine hundred twenty four Crore only) to the Company</p> <p>Part (B) POWERGRID to render all inputs and services as may be required by the Company @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus tax as applicable.</p>
c	Duration of the contracts/arrangements/transaction	<p>Part (A) As mutually agreed</p> <p>Part (B) Commissioning of the TBCB Project including associated reconciliation activities.</p>
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	27th January, 2016
f	Amount paid as advances, if any	Rs. 342.56 Cr

For and on behalf of
**POWERGRID Southern Interconnector
Transmission System Limited**

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 03rd September, 2018
Place: Gurgaon

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40106DL2015GOI278746
ii.	Registration Date	6 th April, 2015
iii.	Name of the Company	POWERGRID Southern Interconnector Transmission System Limited
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121; Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Power Grid Corporation of India Limited (POWERGRID)*	L40101DL1989GOI038121	Holding company	100%	2(46)

* Holding Company w.e.f. 04.12.2015

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dema t	Physical	Total	% of Total Shares	Dema t	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6*	0.012	-	6*	6*	0.012	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	49994	49994	99.988	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	0	50000	50000	100	0	50000	50000	100	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-

Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. <i>Institutions</i>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-

(Specify)									
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	50000	50000	100	0	50000	50000	100	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Power Grid Corporation of India Limited (POWERGRID)	49994	99.988	-	49994	99.988	-	-
2.	Shri Ravi P. Singh jointly with POWERGRID	01	0.002	-	01	0.002	-	-
3.	Shri D. K. Valecha jointly with POWERGRID	01	0.002	-	01	0.002	-	-

4.	Shri R. K. Srivastava jointly with POWERGRID*	01	0.002	-	-	-	-	(0.002)
5.	Shri R. P. Sasmal jointly with POWERGRID**	01	0.002	-	-	-	-	(0.002)
6.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.002	-	-
7.	Shri R. N. Singh jointly with POWERGRID	01	0.002	-	01	0.002	-	-
8.	Shri K.S.R Murty jointly with POWERGRID*	-	-	-	01	0.002	-	0.002
9.	Smt. Seema Gupta jointly with POWERGRID**	-	-	-	01	0.002	-	0.002
	Total	100000	100	-	100000	100	-	-

*01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 07.02.2018.

**01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 19.03.2018

iii.Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	100000	100	100000	100
	Date wise Increase / Decrease in Promoters Shareholding during the	There was no change in promoters shareholding however there were 2 (two) changes in the POWERGRID's nominees (Individuals) who hold 1 equity share each jointly with			

	year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>POWERGRID. They are as follows:</p> <ol style="list-style-type: none"> 1. 01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 07.02.2018. 2. 01 Equity share held by Shri R. P. Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 19.03.2018. <p>(May please also refer information provided under Sr. No. IV (ii) above).</p>			
	At the End of the year	100000	100	100000	100

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri Ravi P. Singh, Director				
	At the beginning of the year	01	0.002	01	0.002
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01	0.002	01	0.002
2.	Shri D. K. Valecha, Director*				
	At the beginning of the year	01	0.002	01	0.002
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	01	0.002	01	0.002
3	Shri K.S.R. Murty, Director				
	At the beginning of the year	0	0	01	0.002

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shri Ranjan Kumar Srivastava transferred 1 (One) Equity Shares of Rs. 10/- (Ten) to Shri K.S.R. Murty jointly with POWERGRID on 07 th Feb, 2018			
	At the End of the year	01	0.002	01	0.002
4.	Shri V. Sekhar, Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		3,42,56,40,155		3,42,56,40,155
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		8,69,95,539		8,69,95,539
Total (i+ii+iii)		3,51,26,35,694		3,51,26,35,694
Change in Indebtedness during the financial year				

- Addition		15,16,27,04,718		15,16,27,04,718
- Reduction		8,69,95,539		8,69,95,539
Net Change		15,07,57,09,179		15,07,57,09,179
Indebtedness at the end of the financial year				
i) Principal Amount		18,23,61,53,263		18,23,61,53,263
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		35,21,91,611		35,21,91,611
Total (i+ii+iii)		18,58,83,44,873		18,58,83,44,873

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **[Not Applicable]**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3)Income- tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as%ofprofit - others,specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:**[Not Applicable]**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

B. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:**[Not Applicable]**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section 17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-

3.	Sweat Equity	-	-	-	-
4.	Commission - as%of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A.Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C.Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of
**POWERGRID Southern Interconnector
Transmission System Limited**

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Date: 03rd September, 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF POWERGRID SOUTHERN INTERCONNECTOR
TRANSMISSION SYSTEM LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of POWERGRID Southern Interconnector Transmission System Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of POWERGRID Southern Interconnector Transmission System Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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


(Vikram D. Murugara) 30.07.18

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 30 July 2018



Independent Auditor's Report

To the Members of Powergrid Southern Interconnector Transmission System Ltd.
[CIN:U40106DL2015GOI278746]

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **Powergrid Southern Interconnector Transmission System Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind As) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan



and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018 and its nil profit/loss for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure-B** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, the Cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act;
- e) As per the notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors, is not applicable to the Company since it is a Government Company;
- f) A report in **Annexure-C** is attached herewith regarding the adequacy of Internal Financial Control and its operating effectiveness; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position of its Standalone Ind AS Financial Statements as of March 31, 2018.
 - ii) The Company has made provisions in its Standalone Ind AS Financial Statements, as required under the applicable law or accounting standards for material foreseeable losses, if any including on long term contracts.
 - iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Hyderabad
Date: May 24, 2018.



For D. Siva Nageswara Rao & Co.,
Chartered Accountants
Firm Regn. No.007162S

A handwritten signature in blue ink, appearing to read "D. Ranga Rao".

D. Ranga Rao
Partner
Membership No. 204913

Companies (Auditor's Report) Order, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of information, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.

(c) The title deeds of the immovable properties are held in the name of the Company.
- ii. In Our opinion and according to the Information and explanation given to us, there is no Inventory. Hence, the provisions of Clause 3(ii) is not applicable.
- iii. In Our Opinion and according to the Information and explanation given to us, the Company has not granted any secured or unsecured loans during the year under report.
- iv. In our opinion and according to information and explanation given to us, the company has not granted any loans or not made any investments or given guarantee or security during the financial year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted the deposits. Therefore, the provisions of clause 3(v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanation given to us, the provisions of clause 3(vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- vii. (a) According to the information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities and there were no arrears as at March 31, 2018 for the period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues that were not deposited on account of any dispute.
- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans to banks or financial institutions.



- ix. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer. Hence, this clause is not applicable.
- x. To the best of our knowledge and belief and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation given to us, the clause relating to managerial remuneration is not applicable to the Company.
- xii. In our opinion and according to the information and explanation given to us, the clause relating to Nidhi company is not applicable to the Company.
- xiii. In our opinion and according to the information and explanation given to us, the related party transactions are in compliance with section 177 and 188.
- xiv. In our opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or debentures during the year hence this clause is not applicable.
- xv. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions during the year hence this clause is not applicable.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause is not applicable.

Place: Hyderabad
Date: May 24, 2018.



For D. Siva Nageswara Rao & Co.,
Chartered Accountants
Firm Regn. No. 007162S

A handwritten signature in blue ink, appearing to read "D. Ranga Rao".

D. Ranga Rao
Partner
Membership No. 204913

Annexure - B

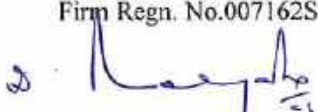
Report under Section 143(5) of the Companies Act, 2013, in respect of POWEGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED, on the Annual Accounts for the year ended 31st March, 2018.

Specific areas examined during the course of audit of Annual Accounts of Powegrid Southern Interconnector Transmission System Limited for the year ended 31st march 2018, in terms of the directions / sub-directions issued to us:

Sl. No.	Particulars	Management Reply	Statutory Auditor Reply
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company is having clear title deeds for freehold land it holds as on the date of balance sheet.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	There were no cases of waiver of debts / loans / interest etc. during the financial year.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from the Government or other authorities.	The Company has maintained adequate records in respect of the company's inventories lying with third parties. In all cases, the confirmation from such parties have been obtained on year end basis. No assets were received as gift from Government or other Authorities.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.

Place: Hyderabad
Date: May 24, 2018.



For D. Siva Nageswara Rao & Co.,
Chartered Accountants
Firm Regn. No.007162S

D. Ranga Rao
Partner
Membership No. 204913

Independent Auditor's 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 of **Powergrid Southern Interconnector Transmission System Limited** as of March 31, 2018 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: May 24, 2018.



For **D. Siva Nageswara Rao & Co.,**
Chartered Accountants
Firm Regn. No. 007162S

A handwritten signature in blue ink, appearing to read "D. Ranga Rao".

D. Ranga Rao
Partner
Membership No. 204913

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

CIN:U40106DL2015GOI278746

Balance Sheet as at 31st March,2018

(₹ in Lakhs)

Particulars	Note No	As at 31st March,2018	As at 31st March,2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	2,149.32	918.26
Capital work-in-progress	5	2,43,443.63	48,675.91
Other non-current assets	6	3,235.33	8,375.97
		2,48,828.28	57,970.14
Current assets			
Financial Assets			
Cash and cash equivalents	7	22.73	183.56
		22.73	183.56
Total Assets		2,48,851.01	58,153.70
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	8	5.00	5.00
Other Equity	9	(2.32)	(2.32)
		2.68	2.68
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	10	1,82,361.53	34,256.40
Other financial Liabilities	11	-	8,227.31
		1,82,361.53	42,483.71
Current liabilities			
Financial Liabilities			
Other current financial liability	12	65,583.45	15,295.36
Other current liabilities	13	903.35	371.95
		66,486.80	15,667.31
Total Equity and Liabilities		2,48,851.01	58,153.70

The accompanying notes (1 to 29) form an integral part of financial statements

As per our report of even date
For D. SIVA NAGESWARA RAO & CO
Chartered Accountants
ICAI FRN: 007162S

D. Ranga Rao

D. RANGA RAO
Partner
Membership No: 204913

Place : Hyderabad
Date :

24-05-2018



For and on behalf of the Board of Directors

dt
Ravi P Singh
Chairman
DIN: 05240974

M S Rangacharyulu
M S Rangacharyulu
CFO

Place : Gurugram
Date : 22-05-2018

K S R Murty
K S R Murty
Director
DIN: 07359191

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

CIN:U40106DL2015GOI278746

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Revenue From Operations		-	-
	Other Income	14	-	-
	Total Income		-	-
	EXPENSES			
	Finance costs	15	-	-
	Depreciation and amortization expense	16	-	-
	Other expenses	17	-	1.99
	Total expenses		-	1.99
	Profit/(loss) before tax		-	(1.99)
	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Profit/(loss) for the period		-	(1.99)
	Other Comprehensive Income		-	-
	Total Comprehensive Income for the period		-	(1.99)
	Earnings per equity share (Par value ₹ 10 each)			
	(1) Basic (in ₹)		-	(3.99)
	(2) Diluted (in ₹)		-	(3.99)

The accompanying notes (1 to 29) form an integral part of financial statements

As per our report of even date

For D. SIVA NAGESWARA RAO & CO

Chartered Accountants

ICAI FRN: 007162S



D. RANGA RAO

Partner

Membership No: 204913

Place : Hyderabad

Date:

24-05-2018



For and on behalf of the Board of Directors

Ravi P Singh

Chairman

DIN: 05240974

M S Rangacharyulu

CFO

Place : Gurugram

Date : 22-05-2018



K S R Murty

Director

DIN: 07359191

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED
CIN:U40106DL2015GOI278746
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31-Mar-2018

(₹ in Lakhs)

Particulars	For the Year ended 31-Mar-2018	For the Year ended 31-Mar-2017
A. Cash Flows from Operating Activities:		
Net profit/Loss as per Statement of Profit and Loss	-	(1.99)
Operating Profit/Loss before Working Capital Changes	-	(1.99)
Adjustments for Increase/Decrease in:		
- Other Current Liabilities	-	-
- Short Term Provisions	-	-
- Other Current Assets	(74.21)	0.00
Net Cash from operating activities (A)	(74.21)	(1.99)
B. Cash Flows from Investing Activities:		
- Property Plant & Equipment	(1,231.05)	(918.26)
- Capital Work In Progress	(1,42,350.32)	(31,407.56)
Net Cash from investing activities (B)	(1,43,581.37)	(32,325.82)
C. Cash Flows from Financing Activities:		
- Share Capital	-	-
- Loans raised during the year	1,43,494.75	32,501.17
Net Cash from financing activities (C)	1,43,494.75	32,501.17
D. Net increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)	(160.83)	173.36
E. Cash and Cash Equivalents (Opening balance)	183.56	10.20
F. Cash and Cash Equivalents (Closing balance) - Note No. 7	22.73	183.56

The accompanying notes (1 to 29) form an integral part of financial statements

Note:

- Cash & Cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity upto three months.
- Previous year figures have been re-grouped / re-arranged wherever required.

As per our report of even date
For D. SIVA NAGESWARA RAO & CO
Chartered Accountants
ICAI FRN: 007162S

(Signature of D. Ranga Rao)

D. RANGA RAO
Partner
Membership No: 204913

Place : Hyderabad
Date :

24-05-2018



For and on behalf of the Board of Directors

(Signature of Ravi P Singh)
Ravi P Singh
Chairman
DIN: 05240974

(Signature of M S Rangacharyulu)
M S Rangacharyulu
CFO

Place : Gurugram
Date : 22-05-2018

(Signature of K S R Murty)
K S R Murty
Director
DIN: 07359191

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

CIN:U40106DL2015GOI278746

Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital

(₹ in Lakhs)

As at 1st April ,2016	5.00
Changes in equity share capital	-
As at 31st March ,2017	5.00
Changes in equity share capital	-
As at 31st March ,2018	5.00

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at 1st April 2016	(0.33)	(0.33)
Total Comprehensive Income for the year	(1.99)	(1.99)
Balance at 31st March, 2017	(2.32)	(2.32)

Statement of Changes in Equity for the Year ended 31st March 2018 (Contd.)

(₹ in Lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at 1st April,2017	(2.32)	(2.32)
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2018	(2.32)	(2.32)

The accompanying notes (1 to 29) form an integral part of financial statements

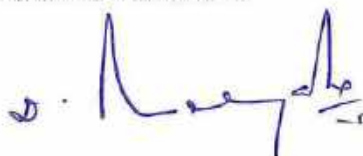
Refer Note 9 for movement and nature of Reserve and Surplus

As per our report of even date

For D. SIVA NAGESWARA RAO & CO

Chartered Accountants

ICAI FRN: 007162S




D. RANGA RAO

Partner

Membership No: 204913

Place : Hyderabad

Date :

24-05-2018

For and on behalf of the Board of Directors


Ravi P Singh
 Chairman
 DIN: 05240974


K S R Murty
 Director
 DIN: 07359191


M S Rangacharyulu
 CFO

Place : Gurugram

Date: 22-05-2018

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation				Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018
Land	899.94	1,226.58	-	-	2,126.53	-	-	-	-	2,126.53
Freehold	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-	-	-
Substation	2.69	-	-	-	2.69	0.14	0.14	-	-	2.40
Furniture Fixtures	13.87	6.05	-	-	19.92	0.88	1.44	-	-	17.50
Office equipment	2.97	0.20	-	-	3.17	0.19	0.20	-	-	2.78
Total	919.47	1,232.83	-	-	2,152.30	1.21	1.78	-	-	2,149.32
										918.26

(₹ in Lakhs)

The company owns 82.160 acre (Previous Year 34.880 acre) of land amounting to ₹ 2126.53 Lakhs (Previous Year ₹ 899.94 Lakhs) which has been classified into freehold, for which conveyance deed in favour of the Company is pending.

Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation				Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017
Land	-	899.94	-	-	899.94	-	-	-	-	899.94
Freehold	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-	-	-
Substation	-	2.69	-	-	2.69	-	0.14	-	-	2.54
Furniture Fixtures	-	13.87	-	-	13.87	-	0.88	-	-	12.99
Office equipment	-	2.97	-	-	2.97	-	0.19	-	-	2.78
Grand Total	-	919.47	-	-	919.47	-	1.21	-	-	918.26
										-

(₹ in Lakhs)



[Handwritten signature]

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Note 5/Capital work in progress

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2018
Plant & Equipments (including associated civil works)					
Transmission	20,814.59	1,33,914.13			1,54,728.72
Sub-Station	-	19,236.81			19,236.81
Construction Stores (Net of Provision)	23,306.60	23,883.19	-		47,189.79
Expenditure during construction period (Net) - Note 18	4,554.72	17,733.59			22,288.31
Total	48,675.91	1,94,767.72	-	-	2,43,443.63

Note 5/Capital work in progress

Particulars	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2017
Plant & Equipments (including associated civil works)					
Transmission	-	20,814.59	-	-	20,814.59
Sub-Station	-	-	-	-	-
Construction Stores (Net of Provision)	-	23,306.60	-	-	23,306.60
Expenditure during construction period (Net) - Note 18	3,625.13	929.59	-	-	4,554.72
Total	3,625.13	45,050.78	-	-	48,675.91



Handwritten signature/initials

Power Grid Southern Interconnector Transmission system Limited

Note 5/Capital work in progress (Details of Construction stores)

(At cost) (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Costruction Stores		
Towers	10,759.21	5,371.52
Conductors	29,884.32	15,991.64
Other Line Materials	4,053.98	1,940.63
Sub-Station Equipments	1,509.17	2.81
Unified Load Despatch & Communication(ULDC) Materials	983.10	-
TOTAL	47,189.79	23,306.60
Construction Stores include:		
Material with Contractors		
Towers	10,759.21	5,371.52
Conductors	29,884.32	15,991.64
Other Line Materials	4,053.98	1,940.63
Sub-Station Equipments	1,509.17	2.81
Unified Load Despatch & Communication(ULDC) Materials	983.10	-
Total	47,189.79	23,306.60



[Handwritten signature]

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 6/Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A) Advances for Capital Expenditure		
Unsecured		
Against bank guarantees	2,909.88	8,374.40
B) Security Deposits	-	0.44
C) Advances recoverable in cash or in kind or for value to be received		
Balance with Customs Port Trust and other authorities	251.23	1.12
Advance tax and Tax deducted at source	74.21	-
TOTAL	3,235.33	8,375.97



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Note 7/Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
Balance with banks-		
-In Current accounts	22.73	183.56
Total	22.73	183.56



A handwritten signature in blue ink, appearing to be "S. N. Rao", written over a small rectangular stamp.

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Note 8/Equity Share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
10,00,000 equity shares of ₹ 10/- each at par	100.00	100.00
(Previous year 10,00,000 equity shares of ₹ 10/- each at par)		
Issued, subscribed and paid up		
50,000 equity shares of ₹ 10/-each at par fully paid up	5.00	5.00
(Previous year 50,000 equity shares of ₹ 10/-each at par)		
Total	5.00	5.00

Further Notes:

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares outstanding at the beginning of the year	50000	5.00	50000	5.00
Shares Issued during the year	50000	5.00	50000	5.00

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

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited #	50000	100.00	50000	100.00

Out of 50000 Equity Shares (Previous Year 50000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Note 9/Other Equity

(₹ in Lakhs)		
Particulars	As at 31st March,2018	As at 31st March,2017
Reserves and Surplus		
Retained Earnings		
As per last balance sheet	(2.32)	(0.33)
Add:Additions		
Profit after tax as per Statement of Profit & Loss	-	(1.99)
Closing Balance	(2.32)	(2.32)
	(2.32)	(2.32)
TOTAL	(2.32)	(2.32)



Handwritten signature or initials.

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 10/ Borrowings**

(₹ in Lakhs)

Description	As at 31st March,2018	As at 31st March,2017
Term Loan From Others - Unsecured		
- Loan from Related Parties (M/s Power Grid Corporation of India Ltd.)	1,82,361.53	34,256.40
TOTAL	1,82,361.53	34,256.40

Further notes:

The Inter Corporate Loan is provided by the Holding Company on cost to cost [Interest rate varying from 7.20% to 8.32%] and back to back servicing basis and the said loan is repayable over a period of 4 to 15 years after a moratorium period of 3 to 5 years.



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 11/Other Non-current financial liabilities**

(₹ in Lakhs)		
Particulars	As at 31st March,2018	As at 31st March,2017
Other liabilities		
Deposits /Retention money from contractors and others.	-	8,227.31
Total	-	8,227.31

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 22 (d)



A handwritten signature in blue ink, consisting of stylized letters, located to the right of the circular stamp.

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 12/Other Current Financial Liability**

Particulars	As at 31st March,2018	(₹ in Lakhs)
		As at 31st March,2017
Interest accrued but not due on borrowings		
Interest on loan (M/s Power Grid Corporation of India Ltd)	3,521.92	869.96
	3,521.92	869.96
Others		
Dues for Capital Expenditure		
Related Party (M/s Power Grid Corporation of India Ltd)	3,573.23	1,500.87
Others	28,328.57	10,558.14
Deposits/Retention money from contractors and others.	30,154.98	2,366.40
Others	4.75	-
	62,061.53	14,425.41
Total	65,583.45	15,295.36

Further notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 22 (d)



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 13/Other current liabilities**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory dues	903.35	371.95
Total	903.35	371.95



A handwritten signature in blue ink, appearing to be "S. Nageswara Rao", written over a small rectangular stamp.

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 14/Other income**

(₹ in Lakhs)		
Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Interest income from financial assets at amortised cost		
Interest from advances to contractors	570.58	525.36
Others		
Fair Value gain on initial recognition of Financial liability	108.95	1,100.67
Miscellaneous income	0.04	13.33
	679.57	1,639.36
Less:Income transferred to expenditure during construction(Net) - Note 18	679.57	1,639.36
TOTAL	-	-



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 15/Finance costs**

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest and finance charges on financial liabilities at amortised cost		
Interest on Loan from Powergrid	7,262.34	1,061.19
Unwinding of discount on financial liabilities	1,102.03	82.26
	8,364.38	1,143.45
Less: Transferred to Expenditure during Construction(Net)- Note 18	8,364.38	1,143.45
TOTAL	-	-



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 16/Depreciation and amortization expense**

(₹ in Lakhs)

Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Depreciation of Property,Plant and Equipment	1.78	1.21
Less: Transferred to Expenditure During Construction(Net) - Note 18	1.78	1.21
Total	-	-



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**Note 17/Other expenses**

	(₹ in Lakhs)	
Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
Repair & Maintenance		
Plant & Machinery		
Transmission lines		-0.66
Others	-	10.75
		10.09
Power charges	2.75	
Less: Recovery from contractors	0.64	
		2.12
Legal expenses	8.28	6.43
Professional charges(Including TA/DA)	1.12	0.13
Consultancy expenses(Including TA/DA)	10,015.57	1,370.72
Travelling & Conv.exp.(excluding foreign travel)		0.60
Payments to Statutory Auditors		
Audit Fees	0.63	0.46
Out of pocket Expenses	0.32	
		0.94
Advertisement and publicity	4.06	30.48
Printing and stationery	0.01	0.02
Cost Audit and Physical verification Fees	0.88	-
CERC petition & Other charges	5.00	5.25
Miscellaneous expenses	9.04	0.02
Rates and taxes	0.00	2.09
	10,047.01	1,426.29
Less: Transferred to Expenditure during Construction(Net)-Note 18	10,047.01	1,424.30
Total	-	1.99



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

Note 18/ Expenditure during Construction (Net)

		(₹ in Lakhs)	
Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Other Expenses			
Repair and maintenance			
Others	-		10.09
			10.09
Power charges	2.75		
Less: Recovery from contractors	0.64		
	2.12		-
Legal expenses	8.28		6.43
Professional charges	1.12		0.13
Consultancy expenses	10,015.57		1,370.72
Travelling & Conv.exp. (Including Foreign Travel)			0.60
Payment to Auditors	0.94		0.46
Advertisement and Publicity	4.06		30.48
Printing and stationery	0.01		0.02
Miscellaneous expenses	14.92		5.27
Rates and taxes	0.00		0.10
Sub-total		10,047.01	1,424.30
Total (A)		10,047.01	1,424.30
B. Depreciation/Amortisation		1.78	1.21
C. Finance Costs			
a) Interest on loan from Powergrid	7,262.34		1,061.19
	7,262.34		1,061.19
b) Other finance charges			
Others	1,102.03		82.26
	1,102.03		82.26
Total (C)		8,364.38	1,143.45
D. Less: Other Income			
Contractors	570.58		525.36
Others	108.95		1,100.67
	679.53		1,626.03
Miscellaneous income	0.04		13.33
Total (D)		679.57	1,639.36
GRAND TOTAL (A+B+C-D)		17,733.59	929.59



Notes to Financial Statements

1. Corporate & General Information

Powergrid Southern Interconnector Transmission System Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The Company was incorporated on 06th April 2015 under the Companies Act, 2013. The Company is a special purpose vehicle incorporated to develop Connectivity lines for "Strengthening of transmission system beyond Vemagiri " under tariff based competitive bidding (TBCB). On completion of the TBCB process, the SPV has been transferred to M/S PowerGrid Corporation of India Limited on 04.12.2015.

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

The Financial Statements of the Company for the year ended 31st March 2018 were approved for issue by the Board of Directors on 22-05-2018

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and presentation currency

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



A handwritten signature in blue ink, appearing to be "S. S. Rao".

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.



A handwritten signature in blue ink, appearing to be 'S. Rao'.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

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

2.4 Intangible Assets and Intangible Assets under development

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.



A handwritten signature in blue ink, appearing to be "S. Nageswara Rao".

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software(which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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



Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from



continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



A handwritten signature in blue ink, appearing to be "A. S. Rao".

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

a) **Finance leases**

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

b) **Operating leases**

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) **As a Lessee**

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is



A handwritten signature in blue ink, appearing to be "S. Siva", written over a faint rectangular stamp.

evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction



12

costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.



A handwritten signature in blue ink, appearing to be "S. Nageswara Rao".

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.



A handwritten signature in blue ink, appearing to be 'S. Nageswara Rao'.

Deferred tax

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

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

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

2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.



A handwritten signature in blue ink, appearing to be "S. Rao", written over a rectangular box.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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



A handwritten signature in blue ink, appearing to be "A. S." or similar, written in a cursive style.

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

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.20 Cash Flow Statement

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

3. Critical Estimates and Judgments

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

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



The areas involving critical estimates or judgments

Useful life of property, plant and equipment

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

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



A handwritten signature in blue ink, appearing to be 'S. Nageswara Rao'.

19. Contingent Liabilities & Capital Commitments

(₹ in lakh)

Particulars	2017-18	2016-17
i. Contingent Liability	NIL	NIL
ii. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	91874.24	186557.77

20. Party Balances and Confirmations

Balances of recoverable shown under Assets and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

21. Auditors Remuneration

(₹ in lakh)

S. No.	Particulars	FY 2017-18	FY 2016-17
1	Statutory Audit Fees	0.50	0.4
2	Other Services	-	-
3	GST/Service Tax	0.13	0.06
	Total	0.63	0.46

Note: Auditors' remuneration includes ₹ 0.04 Lakhs relating to previous year and paid to previous Auditors.

22. Other Disclosures

a. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards services provided. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.



Leases

★ **Operating Lease:** The Company has no Operating leases.

★ **Finance Lease:** The Company has no finance leases.

c. **Borrowing cost**

Borrowing cost capitalised during the year is ₹ 8364.38 lakhs (Previous year ₹ 1143.45 Lakhs) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

d. **Dues to Micro and Small Enterprises**

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

23. Fair Value Measurements

(₹ in lakh)

	31 st March, 2018		31 st March, 2017	
Financial Instruments by category	FVOCI	Amortised cost	FVOCI	Amortised cost
<u>Financial Assets</u>				
Cash & cash Equivalents	-	22.73	-	183.56
Total Financial assets		22.73		183.56
<u>Financial Liabilities</u>				
Borrowings	-	185883.45	-	35126.36
<u>Other Financial Liabilities</u>				
Current	-	62061.53	-	14425.41
Non-Current	-	-	-	8227.31
Total financial liabilities		247944.98		57779.08

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



(₹ in lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31 March 2018 Financial Assets		-		-
Total financial Assets				
Financial Liabilities				
Borrowings		180512.45		180512.45
<u>Other financial liabilities</u>				
Deposits/retention money from contractors and others		62061.53		62061.53
Total financial liabilities		242573.98		242573.98

(₹ in lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31 March 2017 Financial Assets		-		-
Total financial Assets				
Financial Liabilities				
Borrowings		34920.71		34920.71
<u>Other financial liabilities</u>				
Deposits/retention money from contractors and others		22652.72		22652.72
Total financial liabilities		57573.43		57573.43

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.



Handwritten signature or initials.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost

(₹ in lakh)

	31 March 2018		31 March 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	185883.45	180512.45	35126.36	34920.71
<u>Other financial liabilities</u>				
Deposits/retention money from contractors and others	62061.53	62061.53	22652.72	22652.72
Dues for capital expenditure				
Total financial liabilities	247944.98	242573.98	57779.08	57573.43

The carrying amounts of trade receivables, cash and cash equivalents, other current financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For Current financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

24. Related party Transactions

(a) Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-Mar-2018	31- Mar- 2017
Power Grid Corporation of India Limited	India- Holding Company	100%	100%



[Handwritten signature]

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powergrid Vizag Transmission Limited	India	NA	NA
Powergrid NM Transmission Limited	India	NA	NA
Powergrid Unchahar Transmission Limited	India	NA	NA
Powergrid Kala Amb Transmission Limited	India	NA	NA
Powergrid Jabalpur Transmission Limited	India	NA	NA
Powergrid Warora Transmission Limited	India	NA	NA
Powergrid Parli Transmission Limited	India	NA	NA
Powergrid Vemagiri Transmission Limited	India	NA	NA
Grid Conductors Limited *	India	NA	NA
Powergrid MedinipurJeerat Transmission Limited	India	NA	NA
Powergrid Mithilanchal Transmission Limited**	India	NA	NA
WR-NR Transmission Limited***	India	NA	NA

* Pursuant to the application dated 13th June 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary.

**100% equity in Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Ltd.) acquired from REC Transmission Projects Company Limited on 12th January, 2018

*** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee Powergrid Limited	India	NA	NA
Parbatikoldam Transmission Company Ltd.	India	NA	NA
Teestavalley Power Transmission Limited	India	NA	NA
North East Transmission Company Limited	India	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA
Bihar Grid Company Limited	India	NA	NA
KalingaBidyutPrasaran Nigam Private Limited ****	India	NA	NA
Cross Border Power Transmission Company Ltd.	India	NA	NA
RINL Powergrid TLT Private Limited	India	NA	NA
Power Transmission Company Nepal Ltd.	Nepal	NA	NA

**** Powergrid Corporation of India Limited's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track exit mode of Registrar of Companies (ROC).



[Handwritten signature]

(d) Key Management Personnel

Name	Designation	Date of Appointment	Date of Cession
Shri Ravi P. Singh	Chairman	04/12/2015	Continuing
Shri D. K. Valecha(*)	Director	04/12/2015	Continuing
Shri Ranjan Kumar Srivastava	Director	04/12/2015	07/02/2018
Shri K S R Murty	Director	08/02/2018	Continuing
Shri V. Sekhar	Director	04/12/2015	Continuing

* ceased to be director w.e.f. 30.04.2018

(e) Transactions with related parties

The following transactions occurred with related parties:

(₹ in lakh)

Particulars	31 March, 2018	31 March, 2017
Transaction with Holding Company - Power grid Corporation of India Ltd.		
Towards Services received by the Company Consultancy Charges (Excluding Taxes)	8566.84	1191.71
Towards Loan received by the company Interest on Loan paid/Payable	7262.34	1061.19
Total Transaction with Related Party	15829.18	2252.90

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

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

(₹ in lakh)

Particulars	31 March, 2018	31 March, 2017
Payable to Holding Company - Power Grid Corporation of India Ltd.		
Payables towards consultancy service received	3167.45	1500.87
Payables towards Other Expenses	128.76	-
Total Payables to Related Parties	3296.21	1500.87

(g) Loans to/from related parties

(₹ in lakh)

Loans from Holding Company	31 March, 2018	31 March, 2017
Power Grid Corporation of India Ltd.	182361.53	34256.40
Total	182361.53	34256.40



(h) Interest accrued but Not due on Loan

(₹ in lakh)

Particulars	31 March, 2018	31 March, 2017
Holding		
Power Grid Corporation of India Ltd.	3521.91	869.96
Total	3521.91	869.96

(i) Interest on Loan Due & Payable

(₹ in lakh)

Particulars	31 March, 2018	31 March, 2017
Holding		
Power Grid Corporation of India Ltd.	277.02	-
Total	277.02	-

25. Segment Information

Business Segment

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

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

26. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.



27. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018	31 March, 2017
From Continuing Operations	-	(3.99)
Total basic and diluted earnings per share attributable to the equity holders of the company	-	(3.99)

(₹ in lakh)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2018	31 March, 2017
Earnings attributable to the equity holders of the company	-	(1.99)
Total Earnings attributable to the equity holders of the company	-	(1.99)

(c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares	31 March, 2017 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000	50000
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000	50000

28. Financial Risk Management:

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

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

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

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

A) Credit Risk

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



[Handwritten signature]

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

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

Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 22.73 Lakhs (31st March, 2017 ₹ 183.56 Lakhs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in lakh)

Particulars	31 st March, 2018	31 st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	22.73	183.56
Other current financial assets	-	-
Total	22.73	183.56
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	NIL	NIL

○ Provision for expected credit losses

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

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

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



B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Borrowings (including interest outflows)	13404.49	72135.80	236615.97	322156.26
Other financial liabilities	62061.53	-	-	62061.53
Total	75466.02	72135.80	236615.97	384217.79
31 March 2017				
Borrowings	2654.18	20865.98	27179.69	50699.85
Other financial liabilities	22652.72	-	-	22652.72
Total	25306.90	20865.98	27179.69	73352.57

C) Market risk

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

- Currency risk
- Interest rate risk



i) **Currency risk**

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

ii) **Interest rate risk**

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

29. a) Figures have been rounded off to nearest rupee in lakhs up to two decimal.

b) The previous year figures have been reclassified/re-grouped to conform to the current year's classification.

As per our report of even date
For D. SIVA NAGESWARA RAO & CO
Chartered Accountants
ICAI FRN: 007162S

For and on behalf of Board of Directors



D. RANGA RAO
Partner
Mem No. 204913
Place: Hyderabad
Date:




Ravi P Singh
(Chairman)
DIN: 05240974


K S R Murty
(Director)
DIN: 07359191


M S Rangacharyulu
(CFO)

Place: Hyderabad
Date:

Place: Gurugram
Date: 22-05-2018

24-05-2018

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2016GOI290075)

ANNUAL REPORT (2017-18)

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED

CIN: U40300DL2016GOI290075

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

Phone No.: 011-26560112, Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Third Annual Report of POWERGRID Medinipur Jeerat Transmission Limited {formerly Medinipur Jeerat Transmission Limited } on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Medinipur Jeerat Transmission Limited (PMJTL), formerly known as Medinipur Jeerat Transmission Limited was acquired by POWERGRID on 28th March, 2017 under Tariff Based Competitive Bidding from PFC Consultancy Limited (the Bid Process Coordinator) for Transmission System associated with "765 kV strengthening in Eastern Region (ERSS-XVIII). The Transmission System includes establishment of 765 kV and 400 kV Transmission lines which is traverse the state of West Bengal and Jharkhand including establishment of two new 765/400 kV substation in West Bengal. The Company was granted transmission license by CERC in June, 2017.

As on 31.03.2018, PMJTL has an Authorized share capital of Rs. 1 Crore and Paid up share capital of Rs. 1.00 lakh. The project is under implementation.

Status of Project implementation:

The Company's project is under implementation.

The land for 765/400kV Medinipur Substation and 765/400kV Jeerat Substation were acquired / purchased by the Company in March' 2018 and May' 2018 respectively & construction work of the said Substations commenced from April' 2018 and May' 2018 respectively (presently, in Medinipur S/S: CR Building, FFPH, Aux. Building, Transformer, Reactor & 765kV Tower foundation work is under progress & in Jeerat S/S: Site levelling work is under progress) and route alignment of all the above mentioned 05 lines had already been completed.

Foundation work is under progress in all the above mentioned 05 lines and till date approximately 700 foundations (i.e. 40% of total scope) had been completed.

Tower Erection work had also commenced in all the lines except 400kV D/C Jeerat (new)-Subhashgram line, which is expected to be commenced from Oct'18/ Nov'18.

Stringing work has recently commenced in 765kV D/C Ranchi- Medinipur line & 400kV D/C Chanditala- Kharagpur LILLO line. For balance lines Stringing work is expected to be commenced from Oct'18/ Nov'18.

Financial Performance

Particulars	2017-18	2016-17
Revenue from Operations	-	-
Other Income	-	-
Total Income	-	-
Expenses	-	-
Profit before Tax	-	-
Profit after Tax	-	-
Earnings Per Equity Share (Rs.)	-	-

Dividend and Transfer to Reserves:

Your Company's Project is under implementation, hence Company has not started its commercial operations and there is no operational income/profit so your Company do not propose to carry any amount to the reserves for the Financial Year ended March 31, 2018. Your Directors have not recommended any dividend on the equity shares for the period under review.

Share Capital of the Company:

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 1 Crore and Rs. 1 lakh, respectively.

Change in the Nature of Business

There was no change in the nature of Business during the year.

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

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

Particulars of contracts or arrangements with Related Parties:

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

Material changes & commitments affecting financial position of the company occurring between the date of Financial Statements and the Board's Report

There are no material changes / commitments affecting financial position of the company occurring between the date of Financial Statements and the Board's Report.

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

No significant / material orders passed by any authority during the Financial Year.

Fixed Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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/loss of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return:

The extract of Annual Return in Form MGT-9 is enclosed at **Annexure –II** to this Report.

Board of Directors and Key Managerial Personnel:

As on 31st March, 2018, the Board comprised Four Directors viz. Shri Prabhakar Singh, Shri KSR Murty, Shri DK Valecha and Shri S N Sahay.

There were some changes in the Board of Director of the Company during the financial year 2017-18. Shri P.C. Hembram, Shri Bharat Bhusan, Shri RK Srivastava ceased to be Directors of the Company w.e.f 17.04.2017, 31.01.2018 and 07.02.2018 respectively. Shri S N Sahay was appointed by the Board as Additional Director w.e.f 28.09.2017 and after your approval in the last AGM held on 29.09.2017 he was appointed as the Director of the Company. Further, Shri KSR Murty has been appointed as Additional Director w.e.f. 15.03.2018 who hold office upto the date of ensuing Annual General Meeting.

Subsequently, after the end of the Financial Year 2017-18, Shri D.K. Valecha and Shri Prabhakar also ceased to be Directors of the Company w.e.f 30.04.2018 and 30.06.2018 respectively and Shri Abhay Chaudhary and Shri Ravi P. Singh had been appointed as Additional Directors w.e.f. 07.05.2018 and 10.07.2018 respectively who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri KSR Murty, Shri Abhay Chaudhary and Shri Ravi P. Singh as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

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

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri Bhabataran Ghosh is the CEO of the company.

Number of Board meetings held during the year:

During the financial year ended 31st March, 2018 Six (06) Board meetings were held on 14.06.2017, 10.08.2017, 11.09.2017, 28.09.2017, 12.01.2018 and 15.03.2018. Detail of Meetings attended by each Director is given below:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri Prabhakar Singh	Chairman & Director	06	06
Shri Bharat Bhushan*	Director	05	1
Shri D.K. Valecha**	Director	06	06
Shri Ranjan Kumar Srivastava***	Director	05	05
Shri SN Sahay****	Director	02	0

*Resigned w.e.f. 31.01.2018.

**Resigned w.e.f. 30.04.2018.

***Resigned w.e.f. 07.02.2018.

****Appointed as Director of the Company w.e.f. 28.09.2017.

Committees of the Board

Audit Committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Nomination & Remuneration Committee

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

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PMJTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors Report for Financial Year 2017-18:

M/s. Jain Seth & Co., Chartered Accountants, have carried out statutory audit for the Financial Year 2017-18. The Statutory Auditors Report on the Accounts of the Company for the Financial Year ended 31st March, 2018 contains no qualification or observation.

Statutory Auditor for the Financial Year 2018-19:

The Comptroller & Auditors General of India has appointed M/s. Jain Seth & Co., Chartered Accountants, Kolkata as Statutory Auditors of your Company for the Financial Year 2018-19.

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Comptroller and Auditors General's Comments:

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 27th July, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 27th July, 2018 of NIL comments received from C&AG is placed at **Annexure-III** to this report.

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment Policy

Since the Company has no female employee, disclosures Under Sexual Harassment of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable to the Company.

Internal Financial Control Systems and their 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.

Acknowledgement

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

**For and on behalf
POWERGRID Medinipur Jeerat Transmission Limited**

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Place: Gurgaon
Date: 06th September, 2018

POWERGRID Medinipur Jeerat Transmission Limited**FORM NO. AOC -2**

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

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

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

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

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

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	POWERGRID CORPORATION OF INDIA LIMITED / HOLDING COMPANY
b	Nature of contracts/arrangements / transaction	<p>Part (A) to take any security(ies) / Guarantee(s) in connection with loans(s) and/or avail Inter-corporate Loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of Rs.2,800 crore from POWERGRID.</p> <p>During the year ending 31.03.2018, Inter-corporate Loan of Rs. 252.56 crore has been availed and the Paid-up Share Capital of the Company remained at Rs.1.00 Lakh.</p> <p>Part (B) to avail all input & services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excluding IDC and Consultancy Fee) plus Service Tax as applicable.</p>

c	Duration of the contracts / arrange-ments / transaction	Part (A) As mutually agreed. Part (B) Commissioning of The TBCB Project including associated reconciliation activities.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b).
e	Date of approval by the Board	14.06.2017
f	Amount paid as advances, if any	-

**For and on behalf
POWERGRID Medinipur Jeerat Transmission Limited**

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Place: Gurgaon
Date: 06th September, 2018

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL2016GOI290075
ii.	Registration Date	22/01/2016
iii.	Name of the Company	POWERGRID Medinipur -Jeerat Transmission Limited
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Power Grid Corporation of India Limited (POWERGRID) *	L40101DL1989GOI038121	Holding Company	100%	2(46)

* Holding Company w.e.f. 28.03.2017

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6*	0.06	-	6*	6*	0.06	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	9994	9994	99.94	0	9994	9994	99.94	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	0	10000	10000	100	0	10000	10000	100	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-

d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs.1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	10000	10000	100	0	10000	10000	100	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	% change in share-holding during
1.	Power Grid Corporation of India Limited (POWERGRID)	9994	100	-	9994	100	-	-
2.	Shri Ravi P Singh jointly with POWERGRID	01	0.01	-	01	0.01	-	-
3.	Shri Prabhakar Singh jointly with	01	0.01	-	01	0.01	-	-
4.	Shri R. P. Sasmal jointly with POWERGRID*	01	0.01	-	-	-	-	-
5.	Shri K Sreekant jointly with POWERGRID	01	0.01	-	01	0.01	-	-
6.	Shri Ranjan Kumar Srivastava jointly with POWERGRID*	01	0.01	-	-	-	-	-
7.	Shri A K Singhal jointly with POWERGRID	01	0.01	-	01	0.01	-	-
8.	Shri K S R Murty jointly with POWERGRID*	-	-	-	01	0.01	-	-

9.	Smt. Seema Gupta jointly with POWERGRID*	-	-	-	01	0.01	-	-
	Total	10000	100	-	10000	100	-	-

*01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 15.03.2018.

**01 Equity share held by Shri R P Sasml (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 15.03.2018

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10000	100	10000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1. 01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 15.03.2018. 2. 01 Equity share held by Shri R. P. Sasml (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 15.03.2018.			
	At the End of the year	10000	100	10000	100

iv) Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-

	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri Prabhakar Singh, Director Chairperson				
	At the beginning of the year	1*	0.01	1*	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	1*	0.01	1*	0.01
2	Shri KSR Murty, Director*				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	01 Equity share held by Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) transferred to Shri K S R Murty (jointly with POWERGRID) on 15.03.2018.			
	At the End of the year	1*	0.01	1*	0.01
3	Shri D.K. Valecha, Director				
	At the beginning of the year	-	-	-	-

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-
4	Smt. S N Sahay, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

*Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition		25618.26	-	25618.26
- Reduction			-	

Net Change	-	25618.26	-	25618.26
Indebtedness at the end of the financial year				
i) Principal Amount		25256.78	-	25256.78
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		361.48	-	361.48
Total (i+ii+iii)	-	25618.26	-	25618.26

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **[Not Applicable]**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary Under section17(3) Income-tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: **[Not Applicable]**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
	<u>Independent Directors</u>	-	-	-	-	-

	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others ,please specify 					
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others ,please specify 	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

**For and on behalf
POWERGRID Medinipur Jeerat Transmission Limited**

Sd/-
(Ravi P. Singh)
Chairman
DIN: 05240974

Place: Gurgaon
Date: 06th September, 2018

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of POWERGRID Medinipur Jeerat Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of POWERGRID Medinipur Jeerat Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Vikram D. Murugaraaj
27.07.18
(Vikram D. Murugaraaj)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board - III,
New Delhi

Place: New Delhi

Dated: 27 July 2018



FINANCIAL STATEMENTS & NOTES FOR THE YEAR ENDED 31ST MARCH 2018



POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

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

Corporate Office: - CF-17, Action Area -1C, New Town, Kolkata – 700156, West Bengal

CIN : U40300DL2016GOI290075

Compliance Certificate

We have conducted the audit of annual stand-alone accounts of **M/s POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (Formerly MEDINIPUR-JEERAT TRANSMISSION LIMITED) for the year ended 31st March 2018 in accordance with the directions / sub - directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the direction/Sub-directions issued to us.

For M/s Jain Seth & Company,
Chartered Accountants
Firm Regn. No- 002069W



Bishnu Kant Agrawal
Partner
M. No.:- 053700

Dated: - 21.05.2018

Place: - Kolkata

Independent Auditor's Report

To the Members of Powergrid Medinipur Jeerat Transmission Limited

Revised Report on the IND AS Financial Statement

The report is issued in supersession of our earlier audit report dated 21st May, 2018 to address the observation vide Half Margins issued by Office of the Principal Director of the Commercial Audit & Ex Officio Member, Audit Board -III, New Delhi as communicated to us by the management of Powergrid Medinipur Jeerat Transmission Limited via email dated 19th July, 2018.

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (Formerly MEDINIPUR-JEERAT TRANSMISSION LIMITED)

Revised Report on the Ind-AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of M/s POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (Formerly MEDINIPUR-JEERAT TRANSMISSION LIMITED) ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the state of affairs (Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.



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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles Generally



Accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March 2018, and its Profit/Loss (Financial Performance including Other Comprehensive Income), its CashFlows and the Changes in Equity for the year ended on that date.

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 of India in terms of Section 143(11) of the Act, we give in "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.
 - d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - f. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.



- g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in Annexure "C".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its Financial Position.
 - The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069W

Report
Bishnu Kant Agrawal
Partner
Mem. No. 053700
Place: Kolkata
Date: 19.07.2018



As referred to in our Independent Auditors' Report to the members of the M/s POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED) ('the Company') on the Financial Statements for the Year Ended 31st March, 2018, we report that:

- (i) (a) The Company has maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
- (b) Land and Furniture and fixtures are the only Fixed Asset. Physical Verification of furniture and fixtures was conducted during the year.
- (c) The Company is having leasehold land of 33.59 hectares valuing Rs. 13.67 Crore for which the lease deed is yet to be executed.
- (ii) The company does not hold any inventories as on 31.03.18 hence clause (ii) of paragraph 3 of the order is not applicable.
- (iii) The Company has not granted any Loans secured or unsecured to companies, firms or other parties Covered in the Register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has not given any loans, investments guarantees and securities. Accordingly clause 3(iv) of the Order is not applicable.
- (v) The company has not accepted any deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) There is no such Cost Records specified by Central Government u/s 148 of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Sales 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 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) Based on our audit and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise of Sales Tax which have not been deposited.
- (viii) According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holders, hence clause (viii) of paragraph 3 of the order is not applicable.



(ix) The company has not raised Money by way of IPO & FPO including debt instruments. However, Loan from holding Company are applied for the purposes for which they are raised.

(x) Based on our audit Procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(xi) Based on our audit Procedures performed and the information and explanations given by the management, Managerial Remuneration & Other Payments relating to Staff are made from Holding Co. Hence clause (xi) of paragraph 3 of the order is Not Applicable.

(xii) The company is not an Nidhi company as prescribed U/s 406 of the act. Accordingly clause (xii) of paragraph 3 of the order is not applicable.

(xiii) All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) Based on our audit Procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069W


Bishnu Kant Agrawal
Partner
Mem. No. 053700
Place: Kolkata
Date: 19.07.2018



Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the M/s POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED) ("The Company"), on the Financial Statements for the Year Ended 31st March 2018, we Report that:

S. No.	Directions	Auditors Comments	Action Taken By Management	Impact on Financial Statements
1.	Whether the company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings/flats for which title / lease deeds are not available.	The Company is having leasehold land of 33.59 hectares valuing Rs. 13.67 Crore for which the lease deed is yet to be executed.. (Details provided in Annexure I).	Possession certificate received from Additional District Magistrate & District Land and Land Reforms Officer, Government of West Bengal, Office of the District Land and Land reforms Office, Paschim Medinipur on 14.03.18 and deed is under process	Nil
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	There are no cases of waiver / write off of debts / loans / interest etc.	N/A	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company has maintained adequate records in respect of inventories lying with third parties. However, No Asset have been received as gift, grant(s) from Govt. or other authorities.	Proper Records are maintained	Nil

For Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069/W

Signature

Bishnu Kant Agrawal
Partner
Mem. No. 053700
Place: Kolkata
Date: 19.07.2018



Annexure I**Details of Freehold Land, Leasehold Land, Buildings and Flats for which Title/Lease Deeds are not available****(A) Freehold Land**

Profit Centre	No. of Cases	Area of Land (in hectares)	Gross Block as on 31.03.2018 (in Rs. crores)	Net Block as on 31.03.2018 (in Rs. crores)	Remarks
----- NIL -----					

(B) Leasehold Land

Profit Centre	No. of Cases	Area of Land (in hectares)	Gross Block as on 31.03.2018 (in Rs. crores)	Net Block as on 31.03.2018 (in Rs. crores)	Remarks
614XX011XX	1	33.59	13.67	13.65	Possession certificate received from GOVT on 14.03.18 and deed is under process

(C) Buildings & Flats

Profit Centre	No. of Cases	Area of Land	Gross Block as on 31.03.2018 (in Rs. crores)	Net Block as on 31.03.2018 (in Rs. crores)	Remarks
----- NIL -----					



ANNEXURE - "C"

As referred to in our Independent Auditors' Report to the members of the M/s **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (FORMERLY MEDINIPUR - JEERAT TRANSMISSION LIMITED) ("the Company"), on the Financial Statements for the year ended 31st March 2018

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 of the company as at 31st March 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial Control based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate



because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2018, 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 Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069W



Bishnu Kant Agrawal
Partner
Mem. No. 053700
Place: Kolkata
Date: 21.05.2018



POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Corporate Office: CF-17, Action Area 1C, New Town, Kolkata-700156.

Ref: PMJL/F&A/17-18/01

Dated: - 21.05.2018

COMPLIANCE CERTIFICATE

The Annual Accounts for the Financial Year 2017-18 have been prepared keeping in view the provisions of Section 134(5) of the Companies Act, 2013 relating to Director's Responsibilities Statement i.e.

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Accounting Policies of the Company have been applied consistently and reasonable and prudent judgments and estimates have been made 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 or loss of the company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for Safeguarding the Assets of the Company and for Preventing and Detecting Fraud and other Irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.
- v) The laid down Internal Financial Controls(#) have been followed and such Internal Financial Controls are adequate and are operating effectively.
- vi) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.



Name: - S.S Sur
Designation: - CFO
Date: - 21.05.2018

शाश्वत सुन्दर सुर
Shashwat Sunder Sur
मुख्य वित्त अधिकारी
Chief Finance Officer
पी. एम. जे. टि. एल., बरेलीकला
PM.J.T.L., KOLKATA

(#)Explanation: For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Corporate Office: CF-17, Action Area 1C, New Town, Kolkata-700156.

Ref: PMJTL/F&A/17-18/02

Dated: - 21.05.2018

CERTIFICATE

This is to certify that, all the provisions relating to various Tax Laws, Companies Act and other laws as may be applicable from time to time have been complied with for the Financial Year 2017-18 in respect of the Company.



Name: - S.S Sur

Designation: - CFO

शाश्वत सुन्दर सुर
Shashwat Sunder Sur
मुख्य वित्त अधिकारी
Chief Finance Officer
पी. एच. जे. टि. एल., कोलकाता
PM.J.T. L., KOLKATA

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Corporate Office: CF-17, Action Area 1C, New Town, Kolkata-700156.

Ref: PMJTL/F&A/17-18/03

Dated: - 21.05.2018

CERTIFICATE

This is to certify that, Financial Results of M/s **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** for the Financial Year Ended 31st March 2018 does not contain any false or misleading statement or figure and do not omit any material fact which may make the statements or figures contained therein misleading.

(Prabhakar Singh)
Director



(S.S Sur)

CEO

शाश्वत सुन्दर सुर

Shashwat Sunder Sur

मुख्य वित्त अधिकारी

Chief Finance Officer

पी. एच. जे. टि. एल, कोलकाता.

PMJ.T. L., KOLKATA

Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Medinipur Jeerat Transmission Limited ("the Company") domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India.

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

The Financial Statements of the Company for the year ended 31st March 2018 were approved for issue by the Board of Directors on 21.05.2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and Presentation Currency

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



iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment (PPE)

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.



Transmission system assets are considered as ready for intended use after meeting the conditions for Commercial Operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.



A handwritten signature in blue ink, appearing to read "Sankar" or similar, with a flourish at the end.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

Deposit works/cost plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

2.4 Intangible Assets and Intangible Assets under development

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.



A handwritten signature in blue ink, appearing to be "Sankar", located in the bottom right corner of the page.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

Expenditure on research shall be recognized as an expenses when it is incurred.

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

2.5 Depreciation / Amortization

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of recovery of tariff, except for assets specified in following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

Particulars	Useful Life
a. Computers & Peripherals	3 years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.



Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue

2.7 Impairment of Non-Financial Assets, other than Inventories

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment



A handwritten signature in blue ink, appearing to read "Sanjiv", located in the bottom right corner of the page.

considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.



Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹ 5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) Finance lease

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

b) Operating lease

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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases



A handwritten signature in blue ink, appearing to read "Sankar", written diagonally across the bottom right corner of the page.

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost
The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest



A handwritten signature in blue ink, likely of the same person as the one in the stamp, located in the bottom right corner of the page.

income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A Financial Asset is derecognized only when

- The right to receive cash flows from the assets have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the EIR.



Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.



- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates ('the Functional Currency'). The Financial Statements are presented in Indian Rupees (Rupees or `), which is the Company's Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the rates of exchange ruling on the date of Balance Sheet. Non-Monetary Items denominated in Foreign Currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for Accounting for Exchange Differences arising from Translation of Long Term Foreign Currency Monetary Liabilities outstanding as on March 31, 2016.



A handwritten signature in blue ink, likely of a company official, located at the bottom right of the page.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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



A handwritten signature in blue ink, likely of the Chartered Accountant, located at the bottom right of the page.

2.14.1 Revenue Recognition from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and the Long Term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in



the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

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

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

2.17 Share Capital and Other Equity

Ordinary shares are classified as equity.

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

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriated of Current Year Profit to mitigate future losses from un-insured risk and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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



A handwritten signature in blue ink, appearing to be "S. S. Sanyal", located at the bottom right of the page.

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per Indirect Method prescribed in the Ind AS 7 "Statement of Cash Flows".

Note 3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.



A handwritten signature in blue ink, appearing to read "Sankar" or similar, with a flourish at the end.

Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



Handwritten signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR JEERAT TRANSMISSION LIMITED)

CIN : U40300DL2016GOI290075

Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	1,372.35	-
Capital Work-in-Progress	5	17,110.53	1,919.78
Other Non-Current Assets	6	2,268.73	-
		20,751.61	1,919.78
Current Assets			
Financial Assets			
Cash and Cash Equivalents	7	0.72	30.14
Other Current Financial Assets	8	5.00	-
Other current assets	9	12,169.28	-
		12,175.00	30.14
Total Assets		32,926.61	1,949.92
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	1.00	1.00
Other Equity	11	(0.18)	(0.18)
		0.82	0.82
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	25,256.78	-
		25,256.78	-
Current Liabilities			
Financial Liabilities			
Trade payables	13	0.20	-
Other Current Financial Liability	14	7,581.27	1,949.10
Other Current Liabilities	15	87.54	-
		7,669.01	1,949.10
Total Equity and Liabilities		32,926.61	1,949.92

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

As Per Our Report of Even Date

For Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069W

naqar
Bishnu Kant Agrawal
Partner
Mem. No. 053700



For & On Behalf of The Board of Directors

(Signature)
(Prabhakar Singh)
Chairman
DIN-06636330

(Signature)
(K.S.R Murty)
Director
DIN-07359191

Place : Kolkata
Date : 21.05.2018

Place :
Date :

(Signatures)

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR JEERAT TRANSMISSION LIMITED)

CIN : U40300DL2016GOI290075

Statement of Profit and Loss for the year ended 31st March, 2018


(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations		-	-
Other Income	16	-	-
Total Income		-	-
EXPENSES			
Finance Costs	17	-	-
Depreciation and Amortization Expense	18	-	-
Other Expenses	19	-	-
Total Expenses		-	-
Profit/(Loss) Before Tax		-	-
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
		-	-
Profit (Loss) for the Period		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		-	-
Earnings per Equity Share (Par Value ₹ 10 each)			
Basic (₹)		-	-
Diluted (₹)		-	-

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

As Per Our Report of Even Date

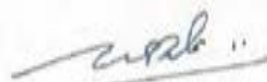
For Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069


Bishnu Kant Agrawal
Partner
Mem. No. 053700



For & On Behalf of The Board of Directors


(Prabhakar Singh)
Chairman
DIN-06636330


(K.S.R Murty)
Director
DIN-07359191

Place : KOLKATA
Date : 21.05.2018

Place :
Date :



POWERGRID Medinipur Jeerat Transmission Limited
(FORMERLY MEDINIPUR JEERAT TRANSMISSION LIMITED)
Statement of Cash Flow for the Year Ended 31st March 2018

(₹ in Lakhs)

Particulars	Note	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) Before Tax		-	-
Operating Profit / (Loss) before Working Capital Changes		-	-
Adjustments For Changes in Assets and Liabilities :			
(Increase)/Decrease in Other Non-Current Assets		(2,268.73)	-
(Increase)/Decrease in Other Current Financial Assets		(5.00)	-
(Increase)/Decrease in Other Current Assets		(12,169.28)	-
Increase/(Decrease) in Trade Payable		0.20	-
Increase/(Decrease) in Other Non Current Liabilities		87.54	-
Increase/(Decrease) in Other Current Liabilities		5,632.17	1,947.72
Increase/(Decrease) in Other Current Financial Liabilities		-	-
Increase/(Decrease) in Provisions		-	-
Cash Generated From Operations		(8,723.10)	1,947.72
Income Tax Paid		-	-
Net Cash from/ (used in) Operating Activities		(8,723.10)	1,947.72
B CASH FLOW FROM INVESTING ACTIVITIES			
Property, Plant & Equipments and Capital Work in Progress		(16,563.10)	(1,893.85)
Net Cash used in Investing Activities		(16,563.10)	(1,893.85)
C CASH FLOW FROM FINANCING ACTIVITIES			
Loan repaid during the year		-	(24.73)
Long Term Loan From Power Grid Corp. of India Ltd. (Holding Company)		25,256.78	-
Net Cash from/ (used in) Financing Activities		25,256.78	(24.73)
D Net Change in Cash and Cash Equivalents (A+B+C)		(29.42)	29.14
E Cash and Cash Equivalents (Opening Balance)	7	30.14	1.00
F Cash and Cash Equivalents (Closing Balance) (D+E)	7	0.72	30.14

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements

Further Notes:

1. Cash & Cash equivalents consist of balances with bank in current account.
2. Previous year figures have been re-grouped / re-arranged wherever required.

As Per Our Report of Even Date

For Jain Seth & Company,
Chartered Accountants
Firm Regn. No. 002069W

Bishnu Kant Agrawal
Bishnu Kant Agrawal
Partner
Mem. No. 053700



Place : KOLKATA
Date : 21.05.2018

For & On Behalf of The Board of Directors

(Prabhakar Singh)
(Prabhakar Singh)
Chairman
DIN-06636330

(K.S.R Murty)
(K.S.R Murty)
Director
DIN-07359191

Place :
Date :

Wor *RN* *Continued*

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Statement of Changes in Equity for the period ended 31st March 2018

A. Equity Share Capital

	(₹ in Lakhs)
As at 1st April, 2016	1.00
Changes in equity share capital	-
As at 31st March, 2017	1.00
Changes in equity share capital	-
As at 31st March, 2018	1.00

B. Other Equity

	Reserves and Surplus	Total
	Retained Earnings	
Balance at 1st April, 2017	(0.18)	(0.18)
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2018	(0.18)	(0.18)

Refer to Note 11 for Nature & Movement of Other Equity.

	Reserves and Surplus	Total
	Capital Reserve	
Balance at 1st April, 2016	(0.18)	(0.18)
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2017	(0.18)	(0.18)

As per our report of even date

For & on behalf of

Jain Seth & Company
Chartered Accountants
FRN-002069W

Bishnu Kant Agarwal

Bishnu Kant Agarwal

Partner

M.No. 053700

Place :

Date:



For and on behalf of Board Of Directors

Prabhakar Singh

Prabhakar Singh

Chairman

DIN: 01391766

K.S.R Murty

K.S.R Murty

Director

DIN-07359191

Handwritten signatures and initials in blue ink.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 4/Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Land	-	1,366.75	-	-	1,366.75	-	2.25	-	-	2.25	1,364.50	-
Leasehold	-	8.25	-	-	8.25	-	0.40	-	-	0.40	7.85	-
Furniture Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	1,375.00	-	-	1,375.00	-	2.65	-	-	2.65	1,372.35	-
Previous Year Total	-	-	-	-	-	-	-	-	-	-	-	-

Further Note - The Company owns 33.59 Hectare (NIL Hectare as on 31.03.2017) of Leasehold Land amounting to ₹ 1366.75 lakhs (₹ NIL as on 31.03.2017) based on available documentation.



Handwritten signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 5/Capital Work in Progress

(₹ in Lakhs)

Particulars	As at 1st April 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March 2018
Plant & Equipments (including associated civil works)					
a) Transmission	-	1,820.19	-	-	1,820.19
Construction Stores	-	10,632.95	-	-	10,632.95
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 20)	1,919.78	2,737.61	-	-	4,657.39
Total	1,919.78	15,190.75	-	-	17,110.53

(₹ in Lakhs)

Particulars	As at 1st April 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March 2017
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 20)	25.93	1,893.85	-	-	1,919.78
Total	25.93	1,893.85	-	-	1,919.78



Handwritten signature

Note 5/Capital Work in Progress (Details of Construction Stores)

(At cost)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Construction Stores		
Towers	6,666.30	
Conductors	2,903.28	
Other Line Materials	1,063.37	
TOTAL	10,632.95	-
Construction Stores include:		
Material with Contractors		
Towers	6,666.30	
Conductors	2,903.28	
Other Line Materials	1,063.37	
Total	10,632.95	-
Grand Total	10,632.95	-



Sanjay

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note- 6/Other Non-Current Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances for Capital Expenditure Against Bank Guarantees	2,268.73	-
Total	2,268.73	-



POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 7/Cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Balance with Banks		
-In Current accounts	0.72	30.14
Total	0.72	30.14



A handwritten signature in blue ink, appearing to read "S. S. Sanyal" or similar, written in a cursive style.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 8 / Other Current Financial Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Others Receivable	5.00	-
Total	5.00	-



A handwritten signature in blue ink, appearing to read "Gurdeep Singh", located in the bottom right corner of the page.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 9/OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in cash or in kind or for value to be received		
Contractors & Suppliers	6,209.01	-
For Land	5,960.27	-
Total	12,169.28	-



A handwritten signature in blue ink, appearing to be "Sunderam", written diagonally.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 10/Equity Share capital

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital Authorised		
1000000 (Previous year 10000) equity share of ₹ 10/- each	100.00	1.00
Issued, subscribed and paid up		
10000 (Previous Year 10000) equity shares of ₹ 10/- each fully paid up	1.00	1.00
Total	1.00	1.00

Further Notes:

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

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	1.00	10,000	1.00

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

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

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
i) Power Grid Corporation of India Limited *	10000	100%	10000	100%

* Equity share are held by M/s Powergrid Corporation Of India Limited and through its nominees.



Signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 11/Other Equity

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Surplus (Balance in statement of Profit and Loss)		
As per last balance sheet	(0.18)	(0.18)
Add: Additions	-	-
Profit after tax as per Statement of Profit & Loss	-	-
Closing Balance	(0.18)	(0.18)
Total	(0.18)	(0.18)



POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 12/Borrowings

Description	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Term Loan From Others		
Rupee Loans (Unsecured)		
Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.)	25,256.78	-
Total	25,256.78	-

Further Note - Inter Corporate Loan is provided by Holding Company on Cost to Cost Basis at the Rate of Interest which varies from 7.20% To 7.85% repayable over a Period of 5 to 15 Years



A handwritten signature in blue ink, appearing to read "Santwana".

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 13/Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
For Goods and Services	0.20	-
Total	0.20	-

Further Note -

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



A handwritten signature in blue ink, appearing to read "Sunder" or similar, with a flourish underneath.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 14/Other Current Financial Liability

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Interest accrued but not due on borrowings from Related Parties ** - M/s Power Grid Corp. of India Ltd.	361.48	-
	361.48	-
Others		
Dues for Capital Expenditure	4,678.61	-
Deposits/Retention money from contractors and others.	2,194.46	-
Related parties ** - M/s Power Grid Corp. of India Ltd.	346.72	1,949.10
	7,219.79	1,949.10
Total	7,581.27	1,949.10

Further Note -

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

**Breakup of Related Parties is provided in Note 32



POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 15/Other current liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2018	As at 31st March, 2017
Statutory Dues	87.54	-
Total	87.54	-



A handwritten signature in blue ink, appearing to read "S. K. Saha".

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 16/Other Income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest from Advances to Contractors	344.00	-
Miscellaneous income	-	30.00
	344.00	30.00
Less: Transferred to Expenditure during Construction(Net)-Note 20	344.00	30.00
Total	-	-



Handwritten signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 17/Finance Costs

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	496.77	9.98
	<u>496.77</u>	<u>9.98</u>
Less: Transferred to Expenditure during Construction (Net) - Note 20	496.77	9.98
Total	<u>-</u>	<u>-</u>



Handwritten signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 18/Depreciation and amortization expense

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation on Property, Plant & Equipments	2.65	-
	<u>2.65</u>	<u>-</u>
Less: Transferred to Expenditure during Construction (Net) - Note 20	2.65	-
Total	<u>-</u>	<u>-</u>



[Handwritten Signature]

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 19/Other expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Other Expenses		
Repair and maintenance		
Transmission Lines	0.75	-
Others	-	0.22
Legal Expenses	2.58	-
Professional charges	0.05	1,744.30
Consultancy expenses	2,504.44	-
Travelling & Conveyance Exp (excluding foreign Travels)	-	2.32
Payment to Statutory Auditors		
Audit Fees	0.59	0.29
Communication Expenses	-	0.94
Advertisement and Publicity	-	25.17
Printing & Stationary	0.01	-
CERC Petition Other Charges	4.70	26.00
Miscellaneous expenses	64.60	109.57
Security Expenses	-	3.07
Hiring of Vehicles	-	1.98
Rates and taxes	4.47	-
	<u>2,582.19</u>	<u>1,913.86</u>
Less: Transferred to Expenditure during Construction (Net) - Note 20	2,582.19	1,913.86
Total	<u>-</u>	<u>-</u>



Signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)
Note 20/ Expenditure during Construction (Net)

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Other Expenses		
Repair and maintenance		
Transmission Lines	0.75	-
Others	-	0.22
Legal Expenses	2.58	-
Professional charges	0.05	1,744.30
Consultancy expenses	2,501.44	-
Travelling & Conveyance Exp (excluding foregin Travels)	-	2.32
Payment to Statutory Auditors	-	-
Audit Fees	0.59	0.29
Communication Expenses	-	0.94
Advertisement and Publicity	-	25.17
Printing & Stationary	0.01	-
CERC Petition Other Charges	4.70	26.00
Miscellaneous expenses	64.60	109.57
Security Expenses	-	3.07
Hiring of Vehicles	-	1.98
Rates and taxes	4.47	-
Total	2,582.19	1,913.86
Depreciation/Amortisation		
Depreciation on Plant,Property & Equipments	2.65	-
Total	2.65	-
Finance Costs		
Interest and finance charges on financial liabilities at amortised cost		
Indian Banks, Fin Inst. & Coprorations/ Related Party	496.77	9.98
Total	496.77	9.98
Less: Other Income		
Miscellaneous income	-	30.00
Interest from Advance To Contractors	344.00	-
Total	344.00	30.00
Grand Total	2,737.61	1,893.85



Continued

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 21/ Employee Benefit Obligations

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

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



A handwritten signature in blue ink, appearing to read "K. S. Seth", located in the bottom right corner of the page.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 22/ Fair Value Measurements

(₹ in Lakhs)

Financial Instruments by category	31-Mar-18		31-Mar-17	
	FVOCI	Amortised Cost	FVOCI	Amortised cost
Financial Assets				
Cash & Cash Equivalents	-	0.72	-	30.14
Other Current Financial Assets	-	5.00	-	-
Total Financial Assets	-	5.72	-	30.14
Financial Liabilities				
Borrowings	-	25,518.26	-	-
Trade Payables	-	0.20	-	-
Other Financial Liabilities	-	7,219.79	-	1,949.10
Total Financial Liabilities	-	32,538.25	-	1,949.10

(i) Fair Value Hierarchy

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

(₹ in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018					
Financial Assets		-	5.72	-	5.72
Total Financial Assets		-	5.72	-	5.72
Financial Liabilities					-
Borrowings		-	24,769.77	-	24,769.77
Other Financial Liabilities		-	7,219.99	-	7,219.99
Total Financial Liabilities		-	31,989.76	-	31,989.76

(₹ in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2017					
Financial Assets		-	30.14	-	30.14
Total Financial Assets		-	30.14	-	30.14
Financial Liabilities					-
Borrowings		-	-	-	-
Other Financial Liabilities		-	1,949.10	-	1,949.10
Total Financial Liabilities	-	-	1,949.10	-	1,949.10

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2



[Handwritten signature]

(iii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost (₹ in Lakhs)

	31-Mar-18		31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets	5.72	5.72	30.14	30.14
Total Financial Assets	5.72	5.72	30.14	30.14
Financial Liabilities				
Borrowings	25,618.25	24,769.77	-	-
Trade Payables	0.20	0.20	-	-
Other Financial Liabilities	7,219.79	7,219.79	1,949.10	1,949.10
Total Financial Liabilities	32,838.25	31,989.76	1,949.10	1,949.10

The carrying amounts of Trade Payables, cash and cash equivalents, other current Financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



Handwritten signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)
Note 23/ Earnings Per Share

(in ₹)

(a) Basic earnings per share attributable to the equity holders of the company	31-Mar-2018	31-Mar-2017
From Continuing Operations	-	-
Total Basic and Diluted earnings per share attributable to the equity holders of the company	-	-

(₹ in Lakhs)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	31-Mar-2018	31-Mar-2017
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	-	-
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	-	-
Total Earnings attributable to the equity holders of the company	-	-

(No. of Shares)

(c) Weighted average number of shares used as the denominator	31-Mar-2018	31-Mar-2017
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10000	10000
Adjustments for calculation of diluted earnings per share:	-	-
Total Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10000	10000



Handwritten signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 24/ Capital Management

Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.



A handwritten signature in blue ink, appearing to read "Sudhakar", written over a horizontal line.

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD
(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 25/Income Tax Expense

This Note provides an analysis of the Company's Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to The company's Tax Positions.

	(₹ in Lakhs)	
	31-Mar-2018	31-Mar-2017
Income Tax Expense		
<u>Current Tax</u>		
Current Tax on Profits for the year	-	-
Total Current Tax Expense	-	-
Income Tax Expense	-	-

(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:

	(₹ in Lakhs)	
	31-Mar-2018	31-Mar-2017
Profit before Income Tax Expense	-	-
Tax at the Indian Tax Rate	-	-
Income Tax Expense	-	-



Signature

POWERGRID MEDINIPUR JEERAT TRANSMISSION LTD

(FORMERLY MEDINIPUR -JEERAT TRANSMISSION LIMITED)

Note 26/ Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Company Identifies, Evaluates and Manages Financial Risks in Close Co-Operation with the Company's Operating Units

The company's principal financial assets include advances to contractors, cash & cash equivalents that are generated from its operations.

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

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

(A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 0.72/- Lakhs (Previous year: ₹ 30.14/- Lakhs). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

(ii) Provision for Expected Credit Losses

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required

(B) Liquidity Risk

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

(ii) Maturities of Financial Liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



(₹ in Lakhs)

Contractual Maturities of Financial Liabilities:	Within 1 Year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 Years	Total
31-Mar-18					
Non-Derivatives					
Borrowings	2,281.09	1,919.61	6,708.63	31,530.17	42,439.50
Trade payable	0.20	-	-	-	0.20
Other Financial Liabilities	5,025.33	-	2,194.46	-	7,219.79
Total Non-Derivative Liabilities	7,306.62	1,919.61	8,903.09	31,530.17	49,659.49
31-Mar-17					
Non-derivatives					
Borrowings	-	-	-	-	-
Other Financial Liabilities	1,949.10	-	-	-	1,949.10
Total Non-Derivative Liabilities	1,949.10	-	-	-	1,949.10

(C) Market risk

(i) Foreign Currency Risk

The Company is exposed to Currency Risk mainly in respect of procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission Tariff are regulated by the Central Electricity Regulatory Commission (CERC). In Respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of Transmission Tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR is Provided in Note-31



[Handwritten signature]

Note 27.

- a) The Company owns 33.59 hectare (Previous Year NIL hectare) of land amounting to ₹ 1366.75 Lakhs (Previous Year ₹ NIL Lakhs) which has been classified as leasehold land based on available documentation.

Note 28.

- a) Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-6) & Dues for Capital Expenditure Shown under Other Current Financial Liabilities (Note-14) include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis and Balance Confirmation are carried out on balances as on 31st March 2018.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.

Note 29.

- a) FERV Loss/-Gain of ₹ -NIL/- (Previous Year ₹ NIL/-Lakhs) has been recognized in the Statement of Profit and Loss.
- b) Borrowing Cost of ₹ 496.77/- Lakhs (Previous Year ₹ 9.98/- Lakhs) has been adjusted in the Property Plant & Equipment (PPE) / Capital Work in Progress (CWIP) as per Ind AS 23- "Borrowing Costs".

Note 30.

Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	Nil Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the	Nil	Nil



Handwritten signature

	appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

Note 31. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency		(₹ in Lakhs)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Payables/ Deposits and Retention Money	USD	NIL	NIL	NIL	NIL
Unexecuted Amount of contracts remaining to be executed	USD	NIL	NIL	NIL	NIL



Barman

Note 32: Related Party Transactions

a) List of Holding Co.

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31- Mar- 18	31- Mar- 17
Power Grid Corporation of India Limited	India	100%	100%
PFC Consulting Ltd *	India	-	-

* Ceased to be holding company w.e.f 28th March, 2017.

b) List of Fellow Subsidiaries Co. (Subsidiary Co. of Holding Co.)

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powergrid Vizag Transmission Limited	India	N.A	N.A
Powergrid NM Transmission Limited	India	N.A	N.A
Powergrid Unchahar Transmission Limited	India	N.A	N.A
Powergrid Kala Amb Transmission Limited	India	N.A	N.A
Powergrid Jabalpur Transmission Limited	India	N.A	N.A
Powergrid Warora Transmission Limited	India	N.A	N.A
Powergrid Parli Transmission Limited	India	N.A	N.A
Powergrid Southern Interconnector Transmission Limited	India	N.A	N.A
Powergrid Vemagiri Transmission Limited	India	N.A	N.A
Grid Conductors Limited **	India	N.A	N.A
Powergrid Mithilanchal Transmission Limited*** (Erstwhile ERSS XXI Transmission Limited)	India	N.A	N.A
WR-NR Transmission Limited****	India	N.A	N.A

** Pursuant to the application dt: 13th June 2017, Submitted to Ministry of Corporate Affairs for striking off the name of Grid Conduction Limited. the company ceased to be wholly owned subsidiary.

*** 100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018 by Holding Company.

**** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018 by Holding Company.

c) List of Fellow Joint Ventures (JVs of Holding Co.)

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	N.A	N.A
Torrent Power Grid Limited	India	N.A	N.A
Jaypee Powergrid Limited	India	N.A	N.A
Parbati Koldam Transmission Company Limited	India	N.A	N.A
Teesta Valley Power Transmission Limited	India	N.A	N.A
North East Transmission Company Limited	India	N.A	N.A



Handwritten signature

National High Power Test Laboratory Private Limited	India	N.A	N.A
Bihar Grid Company Limited	India	N.A	N.A
Kalinga Vidyut Prasaran Nigam Private Limited#	India	N.A	N.A
Cross Border Power Transmission Company Limited	India	N.A	N.A
RINL Powergrid TLT Private Limited	India	N.A	N.A
Power Transmission Company Nepal Ltd	Nepal	N.A	N.A

POWERGRID's Board of Directors in its meeting held on 16th August, 2017 accorded approval for initiating procedure for winding up/removal of the name of Kalinga Vidyut Prasaran Nigam Private Limited under fast track exit made of Register of Companies (ROC).

d) List of Key Management Personnel

Name	Designation	Date of Appointment
Shri Prabhakar Singh	Chairman & Director	28.03.17 and Continuing
Shri D.K Valecha	Director	28.03.17 and resigned on 30.04.2018
Shri S.N Sahay	Director	28.09.17 and Continuing
Shri K.S.R Murty	Director	15.03.18 and Continuing
Shri Bharat Bhushan	Director	28.03.17 and resigned on 31.01.18
Shri Ranjan K. Srivastava	Director	28.03.17 and resigned on 07.02.18
Shri B. Ghosh	CEO	28.03.17 and Continuing
Shri S.S Sur	CFO	15.05.17 and Continuing

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

(e) Outstanding balances arising from sales/purchases of goods and services (₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
Other Current Financial Liability (Purchases of Goods and Services)		
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	346.72	1949.10

(f) Investments Received during the year (Equity) (₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	Nil	NIL

(g) Loans From Related Parties (₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	25256.78	NIL

(h) Interest Accrued on Loan (₹ in Lakhs)

Particulars	31 March, 2018	31 March, 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	361.48	NIL



Signature

(i) Transactions with related parties (Consultancy Services without Taxes)

The following transactions occurred with related parties:

(₹ in Lakhs)		
Particulars	31 March, 2018	31 March, 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	2150.88	NIL

(j) Interest on Loan

(₹ in Lakhs)		
Particulars	31 March, 2018	31 March, 2017
<u>Holding Co.</u>		
Power Grid Corporation of India Limited	496.77	NIL

Note 33. Segment Information

Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

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

Note 34. Capital and other Commitments

(₹ in Lakhs)		
Particulars	As at 31.03.2018	As at 31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	197208.49	NIL

Note 35. Contingent Liabilities and Contingent Assets

There is no contingent liabilities & contingent assets as on 31.03.18 and (previous year NIL).



Note 36. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers', Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will cease to be applicable to the entities. There is a shift from the present transfer of risk and rewards model to transfer of control of goods and services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements

Note 37. Previous Year Figures

(a) The Previous Year's Figures have been reclassified/re-grouped wherever necessary

(b) Figures have been rounded off to nearest rupees in lakhs upto two decimal.

As per our report of even date

For Jain Seth & Company

Chartered Accountants

FRN-002069W


Bishnu Kant Agrawal
Partner


M.No. 053700



For and on behalf of Board Of Directors


Prabhakar Singh
Chairman

DIN: 01391766


K.S.R. Murty
Director

DIN: 07359191

Place: 

Date: 21/05/18

Place:

Date:



**POWERGRID MITHILANCHAL TRANSMISSION
LIMITED**

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2017GOI310436)

ANNUAL REPORT (2017-18)

POWERGRID MITHILANCHAL TRANSMISSION LIMITED

(Formerly known as ERSS XXI Transmission Limited)

CIN: U40300DL2017GOI310436

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Shareholders,

I am delighted to present on behalf of the Board of Directors, the First Annual Report of POWERGRID Mithilanchal Transmission Limited {formerly ERSS XXI Transmission Limited} on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Mithilanchal Transmission Limited (PMTL) (formerly known as ERSS XXI Transmission Limited) was acquired by POWERGRID on 12th January, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for Transmission System associated with "Establish Transmission System for Eastern Region Strengthening Scheme – XXI (ERSS-XXI)". The transmission system includes establishment of 400kV Transmission lines in the state of Bihar including establishment of three new 400/220/132 kV Substations in Bihar. The Company was granted transmission license by CERC on 24th April, 2018.

Status of Project implementation

The Powergrid Mithilanchal Transmission Ltd. is implementing ERSS XXI Transmission System.

The land for 400/220/132 kV Chandauti Substation has been acquired/purchased in June'18 and now site activities like soil investigation and contouring etc. has been started. The land for 400/220/132 kV Sitamarhi Substation and Saharsa Substation are expected to be acquired / purchased by September/October, 2018 and construction work of the said Substations may commence from November 2018.

Route alignment of (i) Darbhanga – Sitamarhi 400kV D/c line (81 kms.) (ii) Sitamarhi – Motihari 400kV D/c line (86 kms.), (iii) LILO of Kishanganj – Patna

400kV D/c line at Saharsa (75 kms.), (iv) LILO of Nabinagar-II – Gaya 400kV D/c line at Chandauti (2.5 kms.) have already been completed.

Detail survey, check survey of all Line elements are under progress / would be undertaken. Foundation work of (i) Darbhanga – Sitamarhi (New) 400kV D/c line (ii) Sitamarhi (New) – Motihari 400kV D/c line has been started in April'18.

Financial Performance

Rs. Crore	
Particulars	2017-18
Revenue from Operations	-
Other Income	-
Total Income	-
Expenses	0.70
Profit before Tax	(0.70)
Profit after Tax	(0.70)
Earnings Per Equity Share (Rs.)	(1.40)

Dividend and Transfer to Reserves

Your Company's Project is under implementation, hence Company has not started its commercial operations and there is no operational income/profit so your Company do not propose to carry any amount to the reserves for the Financial Year ended March 31, 2018. Your Directors have not recommended any dividend on the equity shares for the period under review.

Share Capital

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 5 Lakhs and Rs. 5 Lakhs, respectively.

Change in the Nature of Business

There was no change in the nature of Business during the year.

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

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

Particulars of contracts or arrangements with related parties

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

Material changes & commitments affecting financial position of the company occurring between the date of Financial Statements and the Board's Report

There are no material changes / commitments affecting financial position of the company occurring between the date of Financial Statements and the Board's Report.

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

No significant / material orders passed by any authority during the Financial Year.

Fixed Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors' Responsibility Statement

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT- 9 is enclosed at **Annexure – II** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised three Directors viz. Shri Prabhakar Singh, Shri K. S. R. Murty and Shri Sunit Nath Sahay.

There were some changes in the Board of Director of the Company during the financial year 2017-18. Shri Prabhakar Singh, Shri. K S R Murty and Shri Sunit Nath Sahay have been appointed as Additional Directors w.e.f. 12th January, 2018 who holds office up to the date of ensuing Annual General Meeting.

Smt. Valli Natarajan, Shri Sanjay Shilendra Kumar Kulshrestha and Shri Mohan Lal Kumawat ceased to be Directors of the Company w.e.f. 12th January, 2018.

After the end of Financial Year 2017-18, Shri Prabhakar Singh ceased to be Directors of the Company w.e.f. 30th June, 2018.

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, there is no KMP appointed in the Company.

Number of Board meetings during the year

Since incorporation i.e. from 11.01.2017 to financial year ended 31st March, 2018, eleven (11) meetings of Board of Directors were held on 12.01.2017, 07.03.2017, 31.03.2017, 12.06.2017, 08.09.2017, 17.10.2017, 12.01.2018, 17.01.2018, 09.02.2018, 27.02.2018

and 15.03.2018. The detail of number of meetings attended by each Director during the financial year are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend since incorporation to financial year ended 31st March, 2018.	No. of Board Meetings attendance since incorporation to financial year ended 31st March, 2018.
Smt. Valli Natarajan*	Chairman	7	7
Shri Sanjay Shilendra kumar Kulshrestha*	Director	7	7
Shri Mohan Lal Kumawat*	Director	7	7
Shri Prabhakar Singh**	Additional Director	5	5
Shri K S R Murty**	Additional Director	5	5
Shri Sunit Nath Sahay**	Additional Director	5	0

* Smt. Valli Natarajan, Shri Sanjay Shilendra kumar Kulshrestha and Shri Mohan Lal Kumawat ceased to be director w.e.f. 12.01.2018

**Shri Prabhakar Singh, Shri K.S.R. Murty and Shri Sunit Nath Sahay appointed w.e.f. 12.01.2018.

Committees of the Board

Audit Committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Nomination & Remuneration Committee

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

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned

subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PMTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Statutory Auditors

M/s Shyam S Gupta & Co., Chartered Accounts, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year ending 31st March 2018.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 13th September, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 13th September, 2018 of NIL comments received from C&AG is placed at **Annexure - III** to this report.

Auditors' Report

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

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate

Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment Policy

Since the Company has no female employee, disclosures Under Sexual Harassment of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable to the Company.

Internal Financial Control Systems and their 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.

Acknowledgement

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

For and on behalf of
POWERGRID Mitilanchal Transmission Limited

Date: 17th September, 2017
Place: Gurgaon

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

POWERGRID MITHILANCHAL TRANSMISSION LIMITED**FORM No. AOC -2**

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

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

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

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

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

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 12.02.2018].

b	Nature of contracts/arrangements/transaction	Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs 1000 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable.
c	Duration of the contracts/arrangements/transaction	Part (A) As mutually agreed. Part (B) Commissioning of the project including associated reconciliation activities.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	12.01.2018
f	Amount paid as advances, if any	-

For and on behalf of
POWERGRID Mitilanchal Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 17th September, 2017
Place: Gurgaon

POWERGRID MITHILANCHALTRANSMISSION LIMITED**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL2017GOI310436
ii.	Registration Date	11th January, 2017
iii.	Name of the Company	POWERGRID Mithilanchal Transmission Limited [formerly ERSS XXI Transmission Limited]
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121; Fax: 011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	REC Transmission Projects Company Limited (RECTPCL)*	U40101DL2007GOI157558	Holding Company	100%	2(46)
2.	Power Grid Corporation of India Limited (POWERGRID)**	L40101DL1989GOI038121	Holding company	100%	2(46)

* Holding Company upto 12.01.2018

**Holding Company w.e.f. 12.01.2018

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6	0.012	-	6**	6	0.012	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	49994	49994	99.998	-	49994	49994	99.998	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-

Sub-total(A)(1):-	-	50000**	50000* *	100	-	50000\$	50000**	100	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k)Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholdi ng	-	-	-	-	-	-	-	-	-
1.Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c)Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Compani es	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-

a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs.1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50000	50000	100	-	50000	50000	100	-

Notes:

*6 equity shares held by nominees (Individuals) of RECTPCL.

**6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

\$Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System for Eastern Region Strengthening Scheme – XXI. Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 12.01.2018 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of Rs. 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	REC Transmission Projects Company Limited	49994	99.998	-	-	-	-	(99.998)
2.	Smt. Valli Natarajan	1	0.002	-	-	-	-	(0.002)
3.	Shri Sanjay Shilendrakumar Kulshrestha	1	0.002	-	-	-	-	(0.002)
4.	Shri Subrata Aich	1	0.002	-	-	-	-	(0.002)

5.	Shri Jatin Kumar Nayak	1	0.002	-	-	-	-	(0.002)
6.	Smt. Harinder Kaur Chani	1	0.002	-	-	-	-	(0.002)
7.	Smt. Swati Gupta	1	0.002	-	-	-	-	(0.002)
8.	Power Grid Corporation of India Limited (POWERGRID)	-	-	-	49994	99.988	-	99.988
9.	Shri K. Sreekant, Director (Finance) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
10	Shri Ravi P Singh, Director (Personnel) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
11	Smt. Seema Gupta, Director (Operations) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
12	Shri Prabhakar Singh, Director (Projects) jointly with POWERGRID	-	-	-	01	0.002	-	0.002

13	Shri K S R Murty, ED (Finance) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
14	Shri A. K. Singhal, ED (TBCB) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
	Total	-	-	-	50000	100	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50000	100	50000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>1. During the year there was 100% change in promoters as POWERGRID acquired 100% stake in the Company (along with 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID), from REC Transmission Projects Company Limited on 12th January, 2018.</p> <p>2. 01 Equity share held by Shri R P Sasmal (jointly with POWERGRID) transferred to Smt. Seema Gupta (jointly with POWERGRID) on 15.03.2018.</p>			
	At the End of the year	50000	100	50000	100

Note :

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System for Eastern Region Strengthening Scheme – XXI. Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 12.01.2018 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of Rs. 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

iv. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri Prabhakar Singh, Chairman				
	At the beginning of the year	-	-	-	-

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Acquired jointly with POWERGRID from Shri Jatin Kumar Nayak who was Nominee of REC Transmission Projects Company Limited on 12 th March 2018.			
	At the End of the year	01*	0.002	01*	0.002
2	Shri K S R Murty, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Acquired jointly with POWERGRID from Smt. Harinder Kaur Chani who was Nominee of REC Transmission Projects Company Limited on 12 th March 2018.			
	At the End of the year	01*	0.002	01*	0.002
3	Shri Sunit Nath Sahay, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

*Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-		-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
[Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary Under section17(3) Income- tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:
[Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others ,please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-

	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others ,please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit -others, specify...	-	-	-	-

5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID Mitilanchal Transmission Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 17th September, 2017
Place: Gurgaon

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID MITHILANCHAL TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of POWERGRID Mithilanchal Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 20.08.2018 which supersedes their earlier Audit Report dated 11.07.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of POWERGRID Mithilanchal Transmission Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6)(b) of the Act.


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

(Raj Kumar)

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

Place: New Delhi

Date: 13 September 2018



FINANCIAL STATEMENTS & NOTES FOR THE YEAR ENDED 31ST MARCH 2018



POWERGRID MITHILANCHAL TRANSMISSION LIMITED

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

Corporate Office:- Board Colony, Shashtri Nagar, Patna-800023, Bihar

CIN : U40300DL2017GOI310436



Shyam S. Gupta & Company

CHARTERED ACCOUNTANTS

C-55, GF, Vivek Vihar, Delhi-110 095 • Tel. : 2215 1040, 2214 4557, 4301 2384

E-mail : cashyamsgupta@gmail.com • Website : www.shyamsgupta.com

REVISED INDEPENDENT AUDITORS' REPORT

To the Members of

M/s POWERGRID Mithilanchal Transmission Limited

(formerly known as ERSS-XXI Transmission Limited)

Report on the Ind-AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID Mithilanchal Transmission Limited (formerly known as ERSS-XXI Transmission Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the state of affairs (Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Emphasis of Matter paragraph, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles Generally Accepted in India including the Ind AS,

- a) In the case of Balance Sheet, of the state of affairs (Financial Position) of the Company as at 31st March, 2018.



- b) In the case of statement of Profit and Loss (Financial Performance including Other Comprehensive Income) of the loss for the period from 11th January, 2017 to 31st March, 2018;
- c) In the case of Cash Flow Statement, of the cash flows for the period from 11th January, 2017 to 31st March, 2018; and
- d) In the case of the Changes in Equity for the year ended on that date.

Emphasis of Matter

- i) *Note 2.2, 2.3 stating the accounting policy and Note 13 in the financial statements which indicates that expenses on account of "Reimbursement of cost incurred to REC Transmission Projects", which also includes indirect expenses (including administration and general overhead costs) has been allocated on the project and such incidental expenditures incurred during construction period has been treated as Capital Work in Progress by the company, as in the opinion of the management same is part of the cost of acquisition of the project.*

Our Opinion is not modified in respect of above matter.

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 of India in terms of Section 143(11) of the Act, we give in "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub-section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.
 - d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- f. In our opinion, the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
- g. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors is not applicable to the Company.
- h. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in **Annexure "C"**.
- i. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its Financial Position;
 - ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Shyam S Gupta and Company
Chartered Accountants
ICAI ERN : 000132N


(Lokesh Gupta)
Partner
Membership No.- 096303



Place: Gurgaon
Date: 20/08/2018

ANNEXURE C TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of "M/s POWERGRID MITHILANCHAL TRANSMISSION LIMITED" (formerly known as ERSS-XXI Transmission Limited) on the accounts for the period ended from 11th January, 2017 to 31st March 2018.

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 of "POWERGRID MITHILANCHAL TRANSMISSION LIMITED" (formerly known as ERSS-XXI Transmission Limited) ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

PLACE: Gurgaon
DATE: 20/08/2018

FOR SHYAM S. GUPTA & COMPANY
CHARTERED ACCOUNTANTS

FRN NO. 000132N

LOKESH GUPTA

(Partner)

Membership No.096303



ANNEXURE 'A' TO AUDITOR'S REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of M/S. POWERGRID MITHILANCHAL TRANSMISSION LIMITED (formerly known as ERSS-XXI Transmission Limited) on the financial statements for the period ended 31st March 2018]

- (i) No fixed assets are held in the name of the Company and hence no comments are required for clause (i) of the Order is not applicable.
- (ii) No inventory is held by the Company during current period and hence no reporting is required for clause (ii) of the Order is not applicable.
- (iii) The Company as not granted any Loans to any parties covered under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act 2013 and hence clause (iv) of the Order is not applicable.
- (v) No deposits from the public have been accepted by the Company during the year.
- (vi) In our opinion, the Company is not required to maintain the cost records under sub- section (1) of section 148 of the Companies Act 2013.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is (generally) regular in depositing the undisputed statutory dues including provident fund, state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect above statutory dues were in arrears, as at the last day of the financial year concerned, for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as on the balance sheet date.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt



Instruments and term loans hence, reporting under clause 3 (ix) is not applicable to the Company.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud/ material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us by the management, the Company is a Government Company and section 197 is not applicable to the company.
- (xii) In our opinion, the company is not a nidhi/ mutual benefit fund/society. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place: Gurgaon
Dated: 20-08-2018

For SHYAM S. GUPTA & COMPANY
CHARTERED ACCOUNTANTS
FRN No.000132N


(LOKESH GUPTA)
Partner
Memb. No. 096303



Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the M/s POWERGRID Mithilanchal Transmission Limited (formerly known as ERSS-XXI Transmission Limited) ('The Company'), on the Financial Statements for the Year Ended 31st March 2018, we report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title / lease deeds are not available.	According to the information and explanations given to us, company does not possess any land as on date of balance sheet.	_____
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	According to the information and explanations given to us, there are no cases of waiver / write off of debts / loans / interest etc.	_____
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company does not have any Inventories lying with Third Parties. No Assets / Grants have been received by the company as gift from Govt. or Other Authorities.	_____

For Shyam S Gupta and Company

Chartered Accountants

ICAI FRN : 000132N

(Lokesh Gupta)

Partner

Membership No. - 096303

Place: Gurgaon

Date: 20.08.2018



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Balance Sheet as at 31st March,2018

(₹ in Lakhs)

Particulars	Note No	As at 31st March,2018
ASSETS		
Non-Current Assets		
Capital work in progress	4	2,566.93
		2,566.93
Current Assets		
Financial Assets		
Cash & Cash equivalents	5	0.18
		0.18
Total Assets		2,567.11
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	6	5.00
Other Equity	7	(0.70)
		4.30
Liabilities		
Current Liabilities		
Financial Liabilities		
Other current financial liabilities	8	2,502.18
Other current liabilities	9	60.63
		2,562.81
Total Equity & Liabilities		2,567.11

The significant Accounting policies and Notes to Accounts (1 to 26) are an integral part of these financial statements.

In terms of our Report of even date

For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N

(Lokesh Gupta)
Partner
Membership No. 096303

For and on behalf of the Board

(Seema Gupta)
Chairperson
DIN-06636330

(K.S.R Murty)
Director
DIN-07359191

Place: Gurgaon
Date: 11.07.2018

POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Statement of Profit and Loss for the period from 11.01.2017 to 31.03.2018

		(₹ in Lakhs)
Particulars	Note No	For the period from 11.01.2017 to 31.03.2018
Revenue from operation		-
Other income	10	-
Total Income		-
Expenses		
Finance cost	11	-
Other Expenses	12	0.38
Preliminary Expenses		0.32
Total Expenses		0.70
Profit before tax		(0.70)
Tax expenses		-
Profit for the period		(0.70)
Other Comprehensive Income		-
Total Comprehensive Income for the period		(0.70)
Earnings per Equity Share (Par Value ₹ 10 each)		
Basic (in ₹)		(1.40)
Diluted (in ₹)		(1.40)

The significant Accounting policies and Notes to Accounts (1 to 26) are an integral part of these financial statements.

In terms of our Report of even date

For Shyam S Gupta and Company

Chartered Accountants

ICAI FRN : 000152N


(Lokesh Gupta)
Partner
Membership No. - 096303

For and on behalf of the Board


(Seema Gupta)
Chairperson
DIN-06636330


(K.S.R Murthy)
Director
DIN-07359191

Place: Gurgaon

Date: 11.07.2018

POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Statement of Cash Flows for the period from 11.01.2017 TO 31.03.2018

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018
A.CASH FLOW FROM OPERATING ACTIVITIES	
Profit/(Loss) before Tax	(0.70)
Operating Profit/(Loss) before working capital change	(0.70)
Adjustment for:	
Increase/Decrease in other current financial liabilities	2,502.18
Increase/Decrease in other current liabilities	60.63
Net Cash Flow (used in)/from operating activities (A)	2,562.11
B.CASH FLOW FROM INVESTING ACTIVITIES	
Capital work in progress (CWIP)	(2,566.93)
Net cash (used in)/from investing activities (B)	(2,566.93)
C.CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Share Capital during the year	5.00
Net Cash Flow from Financing Activities (C)	5.00
Net increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)	0.18
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period (Note 5)	0.18

Note :

Cash and Cash equivalents consist of cheques, Drafts, Stamps in Hands, balances with banks and deposits with original maturity of upto three months.

The significant Accounting policies and Notes to Accounts (1 to 26) are an integral part of these financial statements.

In terms of our Report of even date

For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N


(Lokesh Gupta)
Partner
Membership No. : 096303

For and on behalf of the Board


(Seema Gupta)
Chairperson
DIN-06636330


(K.S.R Murty)
Director
DIN-07359191

Place: Gurgaon
Date: 11.07.2018

POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XX Transmission Limited)
CIN : U40300DL2017GOI310436

Statement of Changes in Equity for the period ended 31st March, 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Total
As on Incorporation date (11.01.2017)	5.00
Changes in equity share capital	-
As at 31st March, 2018	5.00

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus
	Retained Earnings
As on Incorporation date (11.01.2017)	-
Total Comprehensive Income during the period	(0.70)
Balance at 31st March, 2018	(0.70)

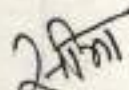
Refer to Note 7 for Nature & Movement of Other Equity.

The significant Accounting policies and Notes to Accounts (1 to 26) are an integral part of these financial statements
In terms of our Report of even date

For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N


(Lokesh Gupta)
Partner
Membership No. 096303

For and on behalf of the Board


(Seema Gupta)
Chairperson
DIN-06636330


(K.S.R. Murty)
Director
DIN-07359191

Place: Gurgaon
Date: 11.07.2018

POWERGRID MITHILANCHAL TRANSMISSION LTD
 (formerly ERSS XXI Transmission Limited)
 CIN : U40300DL2017GOI310436

Note 4/Capital work in progress

(₹ in Lakhs)

Particulars	As at 11th January 2017	Additions during the period	Adjustments	Capitalised during the period	As at 31st March, 2018
Expenditure pending allocation					
Expenditure during construction period (net) (Note-13)	-	2,566.93	-	-	2,566.93
Total	-	2,566.93	-	-	2,566.93



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310435

Note 5/Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2018
Balance with Banks- In Current Accounts	-
Balance with scheduled banks	0.18
Total	0.18



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 6 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2018
Equity Share Capital	
Authorised Share Capital	
50,000 Equity Shares of ₹ 10 each	5.00
Issued, Subscribed and Paid up capital	
50,000 fully paid up Equity shares of ₹ 10/- each (100 % shares held by Holding Company "Power Grid Corporation of India Ltd")	5.00
Total	5.00

Further Notes :

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

Particulars	No. of Shares	(₹ in Lakhs)
Equity shares at the beginning of period	50000	5.00
Add: Shares issued during the period	0	-
Equity shares at the end of period	50000	5.00

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

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

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

Particulars	As at 31st March, 2018	
	No. of Shares	% of holding
Power Grid Corporation of India Limited #	50,000	100
TOTAL	50,000	100

Out of 50000 Equity Shares, 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 7/Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2018
Reserves and Surplus	
Retained Earnings	
Balance at the beginning of the period	-
Addition during the period	(0.70)
Balance at the end of the period	(0.70)
Total	(0.70)



POWERGRID MITHILANCHAL TRANSMISSION LTD

(formerly ERSS XXI Transmission Limited)

CIN : U40300DL2017GOI310436

Note 8/Other current financial liabilities*(₹ in Lakhs)*

Particulars	As at 31st March, 2018
Payable to Power Grid Corporation of India Ltd. (Holding Company)*	2,501.83
Auditor Remuneration Payable	0.35
Total	2,502.18

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 18 (e)

*Breakup of Related Parties is provided in Note 20



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 9/Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2018
Statutory Dues	60.63
Total	60.63



POWERGRID MITHILANCHAL TRANSMISSION LTD
 (formerly ERSS XXI Transmission Limited)
 CIN : U40300DL2017GOI310436

Note 10/ Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018
Other Income	
Sale of RFP Documents	40.00
Total	40.00
Less : Transferred to Expenditure during construction (Net) Note - 13	40.00
Grand Total	-



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 11/Finance Cost

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018
Finance Cost	
Interest charged	9.54
Total	9.54
Less : Transferred to Expenditure during construction (Net) Note - 13	9.54
Grand Total	-



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 12/ Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2018
Other Expenses	
Professional fee charged	1,591.65
Reimbursement of cost incurred to REC Transmission Projects	229.49
Auditor Remuneration	0.35
Bank Charges	0.02
Fee-Adoption Transmission chgs.	25.00
Fee-Grant of Transmis. License	1.00
BG Charges	34.82
Stamp Charges	0.01
Consultancy Charges payable to Power Grid Corporation of India Ltd	715.43
Total	2,597.77
Less : Transferred to Expenditure during construction (Net) Note - 13	2,597.39
Grand Total *	0.38

* Remarks : Grand Total includes Auditor Remuneration, Bank Charges & Stamp Charges expenses.



POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 13/Expenditure during construction (Net)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018
A. Other Expenses	
Professional fee charged	1,591.65
Reimbursement of cost incurred to REC Transmission Projects	229.49
Fee-Adoption Transmission chgs	25.00
Fee-Grant of Transmis. License	1.00
BG Charges	34.82
Consultancy Chages payable to Power Grid Corporation of India Ltd	715.43
Total A	2,597.39
B. Finance Cost	
Interest charged	9.54
Total B	9.54
C. Less : Other Income	
Sale of RFP Documents	40.00
Total C	40.00
D. Grand Total (A+B-C) Expenditure during construction (Net)	2,566.93



Notes to Financial Statements

1. Corporate and General Information

POWERGRID Mithilanchal Transmission Limited (formerly ERSS XXI Transmission Limited) ("The Company") is a company domiciled and incorporated in India on 11th January 2017 under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited by virtue of acquiring 100% shareholding on 12th January 2018 through Tariff based competitive bidding from M/s REC Transmission Projects Company Limited (REC-TPCL), which was further wholly owned by Rural Electrification Corporation, a Government of India undertaking. The registered office of the company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. The company is engaged in the business of Power Transmission System Network, construction, operation and maintenance of transmission lines and other related allied activities.

Since this is the first accounting year of the company, the accounts have been prepared for the period from 11th January 2017 to 31st March 2018. Hence previous year figures are not available.

The Financial Statements of the Company for the year ended 31st March 2018 were approved for issue by the Board of Directors on 11th July, 2018

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and Presentation Currency

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



iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for Commercial Operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.



The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.



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

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

2.4 Intangible Assets and Intangible Assets under development

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

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

2.5 Depreciation / Amortization

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff, except for assets specified in following paragraphs.



Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

Particulars	Useful Life
a. Computers & Peripherals	3 years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ' 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

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

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

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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



2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue

2.7 Impairment of Non-Financial Assets, other than Inventories

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

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

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



2.8 Cash and cash equivalents

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

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5, 00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

a) Finance lease

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

b) Operating lease



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

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories at amortised cost. The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.



The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A Financial Asset is derecognized only when

- The right to receive cash flows from the assets have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective



interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.



- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates ('the Functional Currency'). The Financial Statements are presented in Indian Rupees (Rupees or ₹), which is the Company's Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the rates of exchange ruling on the date of Balance Sheet. Non-Monetary Items denominated in Foreign Currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences arising from foreign currency borrowing to the extent regarded as an



adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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

2.14.1 Revenue Recognition from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the



Transmission Service Agreement (TSA) entered between the Transmission Service Provider and the Long Term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources



will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized.

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

2.17 Share Capital and Other Equity

Ordinary shares are classified as equity.

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

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriated of Current Year Profit to mitigate future losses from un-insured risk and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.



2.20 Statement of Cash Flows

Statement of Cash Flows is prepared as per Indirect Method prescribed in the Ind AS 7 "Statement of Cash Flows".

Note 3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

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

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



Notes to Financial Statements

14.Exceptional and Extraordinary Items

There are no exceptional and extraordinary items as at the Balance Sheet date.

15.Party Balances and Confirmations

Balances of Trade and Other Payables shown under Liabilities subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

16.Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise -

Particulars	Amount in Foreign Currency	Amount (₹. in Lakhs)	
		31.03.2018	31.03.2018
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.	USD/ EURO/ SEK	NIL	NIL
Trade Payables/deposits and retention money	USD	NIL	NIL
Trade receivables and Bank balances	USD/ NPR	NIL	NIL
Unexecuted amount of contracts remaining to be executed	USD	NIL	NIL

17.Auditors Remuneration

S. No.	Particulars	FY 2017-18 Amount (₹. in Lakhs)
1	Statutory Audit Fees	0.30
2	Tax Audit	-
3	Other Matters	0.30
4	GST/Service Tax	0.10
	Total	0.70



18. Other Disclosures

a. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

b. Taxation

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of NIL Lakhs for the year towards current Tax (Minimum Alternate Tax). In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Liability/ (Asset) amounting to NIL Lakhs on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws. Deferred Tax asset on Other Equity of ₹ (0.70) Lakh is not recognized due to uncertainty of sufficient taxable future income.

c. Leases

Finance Lease: The Company has no finance leases.

Operating Lease: The Company has no operating leases.

d. Borrowing cost

Borrowing cost capitalised during the year is ₹ 9.54 Lacs in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.



e. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

19. Fair Value Measurements

(₹. In Lakhs)

	31 st March, 2018	
Financial Instruments by category	FVOCI	Amortised cost
<u>Financial Assets</u>		
Cash & cash Equivalents	-	0.18
Total Financial assets	-	0.18
<u>Financial Liabilities</u>		
Current Financial Liabilities	-	2502.18
Total financial liabilities	-	2502.18

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



(₹. in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018 Financial Assets		-	-	-	-
Total Financial Assets					
Financial Liabilities Borrowings	-	-		-	
Total financial liabilities	-	-		-	

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost



(₹. in Lakhs)

31st March 2018		
	Carrying Amount	Fair value
Financial Assets	0.18	0.18
Financial Assets		
Total Financial Assets	0.18	0.18
Financial Liabilities		
Current Financial Liabilities	2502.18	2502.18
Total financial liabilities	2502.18	2502.18

The carrying amounts of cash and cash equivalents, current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

20. Related party Transactions

(a) Holding Company

		Proportion of Ownership Interest
Name of entity	Place of business/country of incorporation/Relationship	31-Mar-2018
Power Grid Corporation of India Limited*	India- Holding Company	100%
REC Transmission Projects Company Limited**	India- Holding Company	-

*100% Shares were acquired by Power Grid Corporation of India Limited from REC Transmission Projects Company Limited on 12.01.2018.

** REC Transmission Projects Company Limited ceased to be holding company w.e.f. 12.01.2018

(b) List of fellow subsidiaries

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest
		31st March, 2018

Powergrid NM Transmission Limited	India	N.A
Powergrid Vizag Transmission Limited	India	N.A
Powergrid Kala Amb Transmission Limited	India	N.A
Powergrid Jabalpur Transmission Limited	India	N.A
Powergrid Warora Transmission Limited	India	N.A
Powergrid Parli Transmission Limited	India	N.A
Powergrid Southern Interconnector Transmission Limited	India	N.A
Powergrid Vemagiri Transmission Limited	India	N.A
Grid Conductors Limited **	India	N.A
Powergrid Medinipur Jeerat Transmission Limited [erstwhile Medinipur Jeerat Transmission Limited]	India	N.A
WR-NR Power Transmission Limited *	India	N.A
Powergrid Unchahar Transmission Limited	India	N.A

*100% equity in WR-NR Power Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018.

**Pursuant to application dated 13th June 2017, submitted to Ministry of Corporate affair for striking of name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary of holding company.

(b) List of fellow Joint Ventures

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest 31st March, 2018
Powerlinks Transmission Limited	India	N.A
Torrent Power Grid Limited	India	N.A
Jaypee Powergrid Limited	India	N.A
Parbati Koldam Transmission Company Limited	India	N.A
Teestavalley Power Transmission Limited	India	N.A
North East Transmission Company Limited	India	N.A
National High Power Test Laboratory Private Limited	India	N.A
Bihar Grid Company Limited	India	N.A
Kalinga Vidyut Prasaran Nigam Private Limited ***	India	N.A
Cross Border Power Transmission Company Limited	India	N.A
RINL Powergrid TLT Private Limited	India	N.A
Power Transmission Company Nepal Ltd	Nepal	N.A

*** POWERGRID Board of Director in meeting held on 16th August 2017 accorded approval for initiating process of winding up/removal of name of Kalinga Vidyut Prasaran Nigam Private Limited under fast tract exit mode of Registrar of Companies (RoC)



(d) Key Management Personnel

Name	Designation	Date of Appointment
Sh. Valli Natarajan	Chairman	11.01.2017 and resigned on 12.01.2018
Sh. Sanjay Shilendra Kumar Kulshrestha	Director	11.01.2017 and resigned on 12.01.2018
Sh. Mohan Lal Kumawat	Director	11.01.2017 and resigned on 12.01.2018
Sh. Prabhakar Singh*	Chairman	12.01.2018
Sh. S.N. Sahay	Director	12.01.2018 and Continuing
Sh. K. S. R. Murthy	Director	12.01.2018 and Continuing
Sh. D. K. Valecha**	Director	12.01.2018
Smt. Seema Gupta	Chairperson	10.07.2018

*Ceased to be Director w.e.f. 30.06.2018

**Ceased to be Director w.e.f. 30.04.2018

12.01.2018 and Continuing
12.01.2018 and Continuing

CEO
Chairman

(e) Transactions with related parties

The following transactions occurred with related parties:

Sl no	Particulars	₹. in Lakhs
1.	Services received from REC Transmission Projects Company Limited* (Encl taxes)	1591.30
2.	Interest Expense paid to REC Transmission Projects Company Limited*	9.54
3.	Reimbursement of expenses (Encl taxes) paid to REC Transmission Projects Company Limited*	230.16
4.	Consultancy services provided by Power Grid Corporation of India Limited (Encl taxes)	715.43
5.	Expenditure incurred by Power Grid Corporation of India Ltd	60.83

*100% Shares were acquired by Power Grid Corporation of India Limited from REC Transmission Projects Company Limited on 12.01.2018 and therefore REC Transmission Projects Company Limited Ceased to be Holding Company w.e.f. 12.01.2018

(f) Outstanding balances with related parties:

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

Particulars	(₹. in Lakhs)
	31 March, 2018
Power Grid Corporation of India Ltd.	2,501.83

21. Segment Information

Business Segment

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

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

22. Capital and other Commitments

(₹. in Lakhs)

Particulars	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) *	53,872.00 80,839.41

*Remarks: No payment has been released to the vendors up to 31.03.2018

23. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

(i) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to NIL (Previous Year NIL) are being contested before Appellate Authorities. The company is confident on this matter will be disposed of in favour of the company.

(ii) Others

07 Nos Bank Guarantees amounting to Rs. 8,432 lacs has been issued by Power Grid Corporation of India Ltd on behalf of the company.

24. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital

[Signature]
CHARTERED ACCOUNTANTS

Scanned by CamScanner

structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018.

25. Earnings per share

(Amount In ₹.)

a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018
From Continuing Operations including movement in Regulatory Deferral Balances	(1.40)
From Continuing Operations excluding movement in Regulatory Deferral Balances	(1.40)
Total basic diluted earnings per share attributable to the equity holders of the company	(1.40)

(₹. in Lakhs)

b) Reconciliation of earnings used in numerator for calculating earnings per share	31 March, 2018
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Balances	(0.70)
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Balances	(0.70)
Total Earnings attributable to the equity holders of the company	(0.70)

c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000
Adjustments for calculation of diluted earnings per share	
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000

26. Financial Risk Management:

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main



purpose of these financial liabilities is to finance the Company's capital investments and operations.

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

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

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

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

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

A) Credit Risk

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

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

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

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of charge on delayed payment beyond 60 days. A granted rebate is provided by the company for payment made within 60 days.

(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹0.18 Lakhs on 31st March, 2018. The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.



○ Exposure to credit risk

(₹. in Lakhs)	
Particulars	31 st March, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	0.18
Total	0.18

○ Provision for expected credit losses

(₹. in Lakhs)						
Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due
Gross carrying amount as on 31 st March, 2018	-	-	-	-	-	-

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.



The amount disclosed in the table is the contractual undiscounted cash flows

(₹. in Lakhs)				
Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Current financial liabilities	2502.18			2502.18
Total	2502.18			2502.18

C) Market Risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

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

ii) Interest rate risk

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

Remarks : Figures have been rounded off to nearest rupees in lakhs up to two decimals.

For Shyam S. Gupta & Co.
ICAI FRN : 000132N
Chartered Accountants


Lokesh Gupta
Partner
Membership No. 096303

For and on behalf of
POWERGRID MITHILANCHAL TRANSMISSION LTD


(Seema Gupta)
Chairperson
DIN-06636330


(K.S.R Murty)
Director
DIN-07359191

Place: Gurgaon
Date: 11/07/2018

POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED

{Formerly known as WR-NR Power Transmission Limited}
Wholly Owned Subsidiary of Power Grid Corporation of India Limited
(CIN: U40100DL2017GOI310478)

ANNUAL REPORT (2017-18)

POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED

(Formerly known as WR-NR Power Transmission Limited)

CIN: U40100DL2017GOI310478

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

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the First Annual Report of POWERGRID Varanasi Transmission System Limited {formerly WR-NR Power Transmission Limited} on the working of the Company together with Audited Financials Statements and Auditors' Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Varanasi Transmission System Limited (PVTSL) (formerly WR-NR Power Transmission Limited) was acquired/taken over by Power Grid Corporation of India Limited (POWERGRID) on March 27, 2018 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with new Western Region – Northern Region Inter Regional Corridor. Consequent to such acquisition, PVTSL became wholly owned subsidiary of POWERGRID. The Company is to implement 765kV D/C power transmission system for new Western Region – Northern Region Inter Regional Corridor. The transmission Line will traverse from Vindhyachal in Madhya Pradesh (Western Region) to Varanasi in Uttar Pradesh (Northern Region).

Financial Performance

As on 31st March, 2018, the Company has not yet started commercial operation as the project is under execution. The expenditure during construction of Rs. 1525.16 lakh incurred during the year has been included under Capital Work in progress.

Share Capital

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2018 of the Company were Rs. 5 Lakh each.

Dividend and Transfer to Reserves

Your Company's Project is under implementation hence, there is no operating income/profit.

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

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

Particulars of contracts or arrangements with related parties

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

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

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

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

Director's Responsibility Statement

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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/loss of the company for that period;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT- 9 is enclosed at ***Annexure – II*** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised five Directors viz. Smt. Seema Gupta, Shri Deep Chandra Joshi, Mohammed Taj Mukarrum, Shri Deepak Kumar Singh and Shri Atul Trivedi.

During the year, there were changes in the composition of Board of Directors. Smt. Seema Gupta, Shri Deep Chandra Joshi, Mohammed Taj Mukarrum, Shri Deepak Kumar Singh and Shri Atul Trivedi have been appointed as Additional Director w.e.f. 27th March, 2018 who holds office up to the date of ensuing Annual General Meeting. Further Shri Rakesh Kumar Singh has been appointed as Additional Director w.e.f 02nd August, 2018.

Also, Smt. Valli Natarajan, Shri Sanjay Shilendra Kumar Kulshrestha and Shri Mohan Lal Kumawat ceased to be Directors of the Company w.e.f. 27th March, 2018 and Shri Atul Trivedi ceased to be Director w.e.f 31st July, 2018.

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, there is no KMP appointed in the Company.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, eight (8) meetings of Board of Directors were held on 12.01.2017, 07.03.2017, 31.03.2017, 12.06.2017, 08.09.2017, 06.12.2017, 05.03.2018 and 27.03.2018. The details of number of meetings attended by each Director during the financial year are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Smt. Valli Natarajan*	Chairman	8	8
Shri Sanjay Shilendra kumar Kulshrestha*	Director	8	8
Shri Mohan Lal Kumawat*	Director	8	8
Smt. Seema Gupta**	Additional Director	1	1
Shri Deepak Kumar Singh**	Additional Director	1	0
Shri Atul Trivedi^	Additional Director	1	0
Shri Mohammed Taj Mukarrum**	Additional Director	1	1
Shri Deep Chandra Joshi**	Additional Director	1	1

*ceased to be Director w.e.f. 27.03.2018

**appointed as Additional Director w.e.f. 27.03.2018

^appointed as Additional Director w.e.f. 27.03.2018 and ceased to be Director w.e.f 31.07.2018

Committees of the Board

Audit Committee

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Nomination & Remuneration Committee

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

Statutory Auditors

M/s Shyam S Gupta & Co., Chartered Accounts, was appointed by Comptroller and Auditor General (C&AG) of India as Statutory Auditors of the Company for the financial year 2017-18.

Further, M/s Pawan Agarwal & Associates, Chartered Accountants, Lucknow have been appointed by the C&AG of India as Statutory Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors' Report

M/s Shyam S Gupta & Co., Chartered Accounts, Statutory Auditors for the Financial Year 2017-18, have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

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

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2018. C&AG vide letter dated 13th September, 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report. Copy of letter dated 13th September, 2018 of NIL comments received from C&AG is placed at **Annexure - III** to this report.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

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

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment Policy

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

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

For and on behalf of
POWERGRID Varanasi Transmission System Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 20th September, 2018
Place: Gurgaon

POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED**FORM No. AOC -2**

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

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

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

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

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

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 27.03.2018].
b	Nature of contracts/arrangements/transaction	Part (A) to avail all inputs and services (including utilization of POWERGRID premises & facilities thereon) as may be required by the Company from POWERGRID at a Consultancy Fee @ 5.00% of the Actual Project Cost (excl. IDC & consultancy fee) plus taxes as applicable. Part (B) to take any security(ies)/guarantee(s) in connection with loan(s) and/or any form of debt including ECBs and/or to provide inter corporate loan(s) on cost to cost basis , or a combination thereof, upto an amount of Rs. 756Crore from POWERGRID.
c	Duration of the contracts/arrangements/transaction	Part (A) Commissioning of the project including associated reconciliation activities. Part (B) As mutually agreed.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the	27.03.2018 [for Part (A)], 11.04.2018[for Part (B)]

	Board	
f	Amount paid as advances, if any	

For and on behalf of
POWERGRID Varanasi Transmission System Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 20th September, 2018
Place: Gurgaon

POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40100DL2017GOI310478
ii.	Registration Date	12th January, 2017
iii.	Name of the Company	POWERGRID Varanasi Transmission System Limited [formerly WR-NR Power Transmission Limited]
iv.	Category/ Sub-Category of the Company	Public Limited Company / Indian Government Company
v.	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121; Fax: 011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	REC Transmission Projects Company Limited (RECTPCL)*	U40101DL2007GOI157558	Holding Company	100%	2(46)
2.	Power Grid Corporation of India Limited (POWERGRID)**	L40101DL1989GOI038121	Holding Company	100%	2(46)

* Holding Company upto 27.03.2018

**Holding Company w.e.f. 27.03.2018

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6	0.012	-	6**	6	0.012	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	49994	49994	99.988	-	49994	49994	99.988	-

2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs.1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50000	50000	100	-	50000	50000	100	-

Notes:

*6 equity shares held by nominees (Individuals) of RECTPCL.

**6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

\$Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with new Western Region – Northern Region Inter Regional Corridor. Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 27.03.2018 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of Rs. 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

ii.Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	
1.	REC Transmission Projects Company Limited (RECTPCL)	49994	99.988	-	-	-	-	(99.988)
2.	Smt. Valli Natarajan, Nominee-RECTPCL	01	0.002	-	-	-	-	(0.002)
3.	Shri Sanjay Shilendra Kumar, Nominee-RECTPCL	01	0.002	-	-	-	-	(0.002)
4.	Shri Subrato Aich, Nominee-RECTPCL	01	0.002	-	-	-	-	(0.002)

5.	Shri Bhupender Gupta, Nominee- RECPTCL	01	0.002	-	-	-	-	(0.002)
6.	Shri Harinder Kaur, Nominee- RECPTCL	01	0.002	-	-	-	-	(0.002)
7.	Smt. Swati Gupta, Nominee- RECPTCL	01	0.002	-	-	-	-	(0.002)
8.	Power Grid Corporation of India Limited (POWERGRID)	-	-	-	49994	99.988	-	99.988
9.	Shri K.Sreekant, Director (Finance) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
10.	Shri Ravi P Singh, Director (Personnel) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
11.	Smt. Seema Gupta, Director (Operations) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
12.	Shri Prabhakar Singh, Director (Projects) jointly with POWERGRID	-	-	-	01	0.002	-	0.002

13.	Shri K S R Murthy, ED (Finance) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
14.	Shri A. K. Singhal, ED (TBCB) jointly with POWERGRID	-	-	-	01	0.002	-	0.002
	Total	-	-	-	50000	100	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50000	100	50000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	During the year there was 100% change in promoters as POWERGRID acquired 100% stake in the Company (along with 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID), from REC Transmission Projects Company Limited on 27 th March, 2018.			
	At the End of the year	50000	100	50000	100

Note :

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with new Western Region – Northern Region Inter Regional Corridor. Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 27.03.2018 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of Rs. 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

iv. Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Smt. Valli Natrajan, Chairperson				
	At the beginning of the year	01*	0.002	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase	Transferred to Shri K. Sreekant jointly with POWERGRID from on 27 th March 2018.			

	/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-
2	Shri Sanjay Shilendra Kumar, Director				
	At the beginning of the year	01*	0.002	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Transferred to Shri R.P. Singh jointly with POWERGRID from on 27 th March 2018.			
	At the End of the year	-	-	-	-
3	Smt. Seema Gupta, Chairperson				
	At the beginning of the year	-	-	01*	0.002
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Acquired jointly with POWERGRID from Shri Subrata Aich who was Nominee of REC Transmission Projects Company Limited on 27 th March 2018.			
	At the End of the year	01*	0.002	01*	0.002
4	Shri Deepak Kumar Singh, Director				

	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-
5	Shri Atul Trivedi, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-
6	Mohammed Taj Mukarrum, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /	-			

	bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-
7	Shri Deep Chandra Joshi, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	-	-	-	-

*Jointly with POWERGRID

**Ceased to be Director w.e.f 31.07.2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTG/Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTG/Manager				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others ,please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-

	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others ,please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager
/WTD:
[Not Applicable]

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID Varanasi Transmission System Limited

Sd/-
(Seema Gupta)
Chairperson
DIN: 06636330

Date: 20th September, 2018
Place: Gurgaon

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED
FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Powergrid Varanasi Transmission System Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 July 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Powergrid Varanasi Transmission System Limited for the year ended 31 March 2018 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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


(Raj Kumar)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 13 September 2018



Shyam S. Gupta & Company

CHARTERED ACCOUNTANTS

C-55, GF, Vivek Vihar, Delhi-110 095 • Tel . : 2215 1040, 2214 4557, 4301 2384

E-mail : cashyamsgupta@gmail.com • Website : www.shyamsgupta.com

INDEPENDENT AUDITORS' REPORT

To the Members of

M/s. Powergrid Varansi Transmission System Limited (formerly known as WR-NR Power Transmission Limited)

Report on the Ind-AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **M/s Powergrid Varansi Transmission System Limited (formerly known as WR-NR Power Transmission Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the state of affairs(Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Emphasis of Matter paragraph, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so



required and give a True and Fair view in conformity with the Accounting Principles Generally Accepted in India including the Ind AS,

- a) In the case of Balance Sheet, of the state of affairs (Financial Position) of the Company as at 31st March 2018,
- b) In the case of statement of Profit and Loss (Financial Performance including Other Comprehensive Income) of the loss for the period from 12th January, 2017 to 31st March, 2018;
- c) In the case of Cash Flow Statement, of the cash flows for the period from 12th January, 2017 to 31st March, 2018; and
- d) In the case of the Changes in Equity for the year ended on that date.

Emphasis of Matter

- i) *Note 2.2, 2.3 stating the accounting policy and Note 12 in the financial statements which indicates that expenses on account of "Reimbursement of cost", which also includes indirect expenses (including administration and general overhead costs) has been allocated on the project and such incidental expenditures incurred during construction period has been treated as Capital Work in Progress by the company, as in the opinion of the management same is part of the cost of acquisition of the project.*

Our Opinion is not modified in respect of above matter.

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 of India in terms of Section 143(11) of the Act, we give in "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure "B"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.
- d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- f. In our opinion, the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
- g. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors is not applicable to the Company.
- h. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in **Annexure "C"**.
- i. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its Financial Position;
 - ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N


(Lokesh Gupta)

Partner

Membership No.- 096303



Place: Gurgaon
Date: 11.07.2018



Shyam S. Gupta & Company

CHARTERED ACCOUNTANTS

C-55, GF, Vivek Vihar, Delhi-110 095 • Tel. : 2215 1040, 2214 4557, 4301 2384
E-mail : cashyamsgupta@gmail.com • Website : www.shyamsgupta.com

ANNEXURE C TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of "M/s POWERGRID VARANSI TRANSMISSION SYSTEM LIMITED (FORMERLY KNOWN AS WR-NR POWER TRANSMISSION LIMITED)" on the accounts for the period ended from 11th January, 2017 to 31st March 2018.

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 of "POWERGRID VARANSI TRANSMISSION SYSTEM LIMITED (FORMERLY KNOWN AS WR-NR POWER TRANSMISSION LIMITED)" ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding



of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion



In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

FOR SHYAM S. GUPTA & COMPANY
CHARTERED ACCOUNTANTS

FRN NO. 000132N


LOKESH GUPTA
(Partner)

Membership No.096303

PLACE: Gurgaon

DATE: 11/07/2018

ANNEXURE 'A' TO AUDITOR'S REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of M/s. POWERGRID VARANSI TRANSMISSION SYSTEM LIMITED (FORMERLY KNOWN AS WR-NR POWER TRANSMISSION LIMITED) on the financial statements for the period ended 31st March 2018]

- (i) No fixed assets are held in the name of the Company and hence no comments are required for clause (i) of the Order is not applicable.
- (ii) No inventory is held by the Company during current period and hence no reporting is required for clause (ii) of the Order is not applicable.
- (iii) The Company as not granted any Loans to any parties covered under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act 2013 and hence clause (iv) of the Order is not applicable.
- (v) No deposits from the public have been accepted by the Company during the year.
- (vi) In our opinion, the Company is not required to maintain the cost records under sub- section (1) of section 148 of the Companies Act 2013.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is (generally) regular in depositing the undisputed statutory dues including provident fund, state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect above statutory dues were in arrears, as at the last day of the financial year concerned, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as on the balance sheet date.



- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause 3 (ix) is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud/ material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us by the management, the Company is a Government Company and section 197 is not applicable to the company
- (xii) In our opinion, the company is not a nidhi/ mutual benefit fund/society. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For SHYAM S. GUPTA & COMPANY
CHARTERED ACCOUNTANTS

FRN No. 000132N



(LOKESH GUPTA)

Partner

Memb. No. 096303

Place: Gurgaon

Dated: 11-07-2018

Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the M/s Powergrid Varansi Transmission System Limited (formerly known as WR-NR Power Transmission Limited) ("The Company"), on the Financial Statements for the Year Ended 31st March 2018, weReport that:

Sl. No.	Directions u/s143(5)of the Companies Act,2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title / lease deeds are not available.	According to the information and explanations given to us, company does not possess any land as on date of balance sheet.	-----
2	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	According to the information and explanations given to us, there are no cases of waiver / write off of debts / loans / interest etc.	-----
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company does not have any Inventories lying with Third Parties. No Assets / Grants have been received by the company as gift from Govt. or Other Authorities.	-----

For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N


(Lokesh Gupta)
Partner
Membership No.- 096303
Place: Gurgaon
Date: 11.07.2018



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478
Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2018
ASSETS		
Non-Current Assets		
Capital Work in Progress	4	1,525.16
		1,525.16
Current Assets		
Financial Assets		
Cash & Cash equivalents	5	0.19
		0.19
Total Assets		1,525.35
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	6	5.00
Other Equity	7	(0.67)
		4.33
Liabilities		
Current Liabilities		
Financial Liabilities		
Other current financial liabilities	8	1,521.02
		1,521.02
Total Equity & Liabilities		1,525.35

The significant Accounting policies and Notes to Accounts (1 to 25) are an integral part of these financial statements

In terms of our Report of even date
For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N

(Lokesh Gupta)
Partner
Membership No.- 096303



For and on behalf of the Board


Seema Gupta
Chairperson
DIN: 06636330


M. Taj Mukarrum
Director
DIN: 08097837

Place: Gurugram
Date: 11.07.2018

POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Statement of Profit and Loss for the period from 12.01.2017 to 31.03.2018

(₹ in Lakhs)

Particulars	Note No	For the period from 12.01.2017 TO 31.03.2018
Revenue from operation		
Other income	9	-
Total Income		-
Expenses		
Finance cost	10	-
Other Expenses	11	0.35
Preliminary Expenses		0.32
Total Expenses		0.67
Profit before tax		(0.67)
Tax expenses		-
Profit for the period		(0.67)
Other Comprehensive Income		-
Total Comprehensive Income for the period		(0.67)
Earnings per Equity Share (Par Value ₹ 10 each)		
Basic (in ₹)		(1.34)
Diluted (in ₹)		(1.34)

The significant Accounting policies and Notes to Accounts (1 to 25) are an integral part of these financial statements

In terms of our Report of even date

For Shyam S Gupta and Company

Chartered Accountants

ICAI FRN : 000132N


(Lokesh Gupta)
Partner
Membership No.- 096303



For and on behalf of the Board


Seema Gupta
Chairperson
DIN: 06636330


M. Taj Mukarrum
Director
DIN: 08097837

Place: Gurugram

Date: 11.07.2018

POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Statement of Cash Flows for the period from 12.01.2017 to 31.03.2018

(₹ in Lakhs)

Particulars	For the period from 12.01.2017 to 31.03.2018
A.CASH FLOW FROM OPERATING ACTIVITIES	
Profit/(Loss) before Tax	(0.67)
Operating Profit/(Loss) before working capital change	(0.67)
Adjustment for:	
Increase/Decrease in other current financial liabilities	1,521.02
Net Cash Flow (used in)/from operating activities (A)	1,520.35
B.CASH FLOW FROM INVESTING ACTIVITIES	
Capital work in progress (CWIP)	(1,525.16)
Net cash (used in)/from Investing activities (B)	(1,525.16)
C.CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Share Capital during the period	5.00
Net Cash Flow (used in)/from Financing Activities (C)	5.00
Net Increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)	0.19
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period (Note 5)	0.19

Note :

Cash and Cash equivalents consist of cheques, Drafts, Stamps in Hands, balances with banks and deposits with original maturity of upto three months.

The significant Accounting policies and Notes to Accounts (1 to25) are an integral part of these financial statements.

In terms of our Report of even date

For Shyam S Gupta and Company


Chartered Accountants

ICAI FRN : 000132N

(Lokesh Gupta)
Partner
Membership No. - 096303

For and on behalf of the Board


Seema Gupta
Chairperson
DIN: 06636330


M. Taj Mukarrum
Director
DIN: 08097837

Place: Gurugram

Date: 11.07.2018

POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Statement of Changes in Equity for the Year ended 31st March 2018

A. Equity Share Capital (₹ in Lakh)	
As on incorporation date (12.01.2017)	0.00
Changes in equity share capital	5.00
Balance at 31st March, 2018	5.00

B. Other Equity (₹ in Lakh)	
Particulars	Reserves and Surplus
	Retained Earnings
As on incorporation date (12.01.2017)	-
Total Comprehensive Income for the period	(0.67)
Balance at 31st March, 2018	(0.67)

The significant Accounting policies and Notes to Accounts (1 to 25) are an integral part of these financial statements
Refer to Note No. 7 for nature and movement of reserve & surplus.

In terms of our Report of even date
For Shyam S Gupta and Company
Chartered Accountants
ICAI FRN : 000132N

(Lokesh Gupta)
Partner
Membership No.- 096303

For and on behalf of the Board


Seema Gupta
Chairperson
DIN: 06636330


M. Taj Mukarrum
Director
DIN: 08097837

Place: Gurugram
Date: 11.07.2018

POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 4/Capital Work in Progress

(₹ in Lakh)

Particulars	As at 12th January 2017	Additions during the period	Adjustm ents	Capitalised during the period	As at 31st March 2018
Expenditure Pending Allocation Expenditure During Construction Period (Net) (Note 12)	-	1,525.16	-	-	1,525.16
Total	-	1,525.16	-	-	1,525.16



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 5/Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31th March,2018
Balance with Banks- In Current Accounts with scheduled banks	0.19
Total	0.19



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 6 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2018
Equity Share Capital	
Authorised Share Capital	
50,000 Equity Shares of Rs. 10 each at par	5.00
Issued, Subscribed and Paid up capital	
50,000 fully paid up Equity shares of Rs. 10/- each at par	5.00
Total	5.00

Further Notes :

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

Particulars	No. of Shares	(₹ in Lakhs)
Equity shares at the beginning of period	50000	5.00
Add: Shares issued during the period	-	-
Equity shares at the end of period	50000	5.00

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

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

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

Particulars	As at 31st March, 2018	
	No. of Shares	% of holding
Power Grid Corporation of India Limited #	50,000.00	100
TOTAL	50,000.00	100

Out of 50000 Equity Shares, 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 7/Other Equity

(₹ in Lakhs)

Particulars	As at 31st March,2018
Reserves and Surplus	
Surplus/ (Deficit) In the statement of Profit and Loss	
Balance at the beginning of the period	-
Addition during the period	(0.67)
Balance at the end of the period	(0.67)
Total	(0.67)



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 8/Other Current Financial liabilities

(₹ in Lakhs)

Particulars	As at 31th March,2018
Payable to Power Grid Corporation of India Limited (Holding Company)*	1,520.67
Auditor Remuneration Payable	0.35
Total	1,521.02

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 17 (e)

*Breakup of Related Parties is provided in Note 19



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 9/Other Income

(₹ in Lakhs)

Particulars	As at 31th March,2018
Sale of RFP documents	45.00
Less: Transferred to Expenditure during Construction (Net) - Note 12	(45.00)
Total	-



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 10/Finance Cost

(₹ in Lakhs)

Particulars	As at 31th March,2018
Interest Expense	15.87
Less: Transferred to Expenditure during Construction (Net) - Note 12	(15.87)
Total	-



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 11/Other Expenses

(Rs. in Lakhs)

Particulars	As at 31th March,2018
Professional fees	1,270.28
Reimbursement of cost	270.83
Auditor remuneration	0.35
Bank charges	13.18
Less: Transferred to Expenditure during Construction (Net) - Note 12	(1,554.29)
Total *	0.35

* Remarks : Auditor Remuneration expenses



POWERGRID VARANASI TRANSMISSION SYSTEM LTD
(formerly WR-NR POWER TRANSMISSION LTD)
CIN : U40100DL2017GOI310478

Note 12/Expenditure during Construction(Net)

(₹ in Lakhs)

Particulars	As at 31st March,2018
A. Finance Cost	
Interest Expense	15.87
Total (A)	15.87
B. Other Expenses	
Professional fees	1,270.28
Reimbursement of cost	270.83
Bank charges	13.18
Total (B)	1,554.29
C. Less: Other Income	
Sale of RFP documents	45.00
Total (C)	45.00
Grand Total (A+B-C)	1,525.16



Notes to Financial Statement

1. Corporate and General Information

POWERGRID Varanasi Transmission System Limited (formerly known as WR-NR Power Transmission Limited) ("The Company") is a company domiciled and incorporated in India on 12th January 2017 under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited by virtue of acquiring 100% shareholding on 27th Mar 2018 through Tariff based competitive bidding from M/s REC Transmission Projects Company Limited (REC-TPCL), which was wholly owned by Rural Electrification Corporation, a Government of India undertaking. The registered office of the company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. The company is engaged in the business of Power Transmission System Network, construction, operation and maintenance of transmission lines and other related allied activities.

Since this is the first accounting year of company, the accounts have been prepared for the period 12.01.2017 to 31.03.2018, hence previous year figures are not available.

The financial statements of the company for the year ended Mar 31, 2018 were approved for issue by the Board of Directors as on 11th July, 2018

2. Significant Accounting policies

2.1. A Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.13 for accounting policy regarding financial instruments)

iii) Functional and presentation currency

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



iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.



Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit & Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Corporate office, Regional Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

2.4 Intangible Assets and Intangible Assets under development

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.



The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

Expenditure on research shall be recognized as an expense when it is incurred.

Expenditure on development shall be recognized as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognized as an expense.

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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on assets of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for assets specified in the following paragraphs.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate



fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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

The residual values, useful lives and methods of depreciation for assets other than assets related to transmission business are reviewed at each financial year-end and adjusted prospectively, wherever required.

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

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

2.6 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets

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

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



An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.



The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortized over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognized net of such amortized amount.

b) Operating leases

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries & joint ventures, loans to subsidiaries/employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a



quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or

Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement



After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

2.12 Foreign Currency Translation



(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

Foreign currency loans drawn on or after April 1, 2016:

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

2.14.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.



Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

2.15 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balancesheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.



Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Share

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive. Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

Note 3. Critical Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the company's accounting policies.

The areas involving critical estimates or judgments

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

2. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has



required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



Notes to Financial Statements

13.Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

14.Party Balances and Confirmations

Balances of Trade and Other Payables shown under Liabilities are subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

15.Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise -

Particulars	Amount in Foreign Currency	
		31.03.2018
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.	USD/ EURO/ SEK	NIL
Trade Payables/deposits and retention money	USD	NIL
Trade receivables and Bank balances	USD/ NPR	NIL
Unexecuted amount of contracts remaining to be executed	USD	NIL

16.Auditors Remuneration

S. No.	Particulars	FY 2017-18 Amount (₹ in Lakhs)
1	Statutory Audit Fees	0.30
2	Tax Audit	-
3	Other Matters	0.30
4	GST/Service Tax	0.10
	Total	0.70



17. Other Disclosures

a. *Employee Benefits*

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

b. **Taxation**

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of ₹ NIL Lakhs for the year towards current Tax (Minimum Alternate Tax). In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Liability/ (Asset) amounting to ₹ NIL Lakhs on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws. Deferred tax asset on Other Equity of ₹ (0.67) Lakh is not recognised due to uncertainty of sufficient taxable future income.

c. **Leases**

Finance Lease: The Company has no finance leases.

Operating Lease: The Company has no operating leases.

d. **Borrowing cost**

Borrowing cost capitalised during the year is ₹ 15.87 Lakh in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

e. **Dues to Micro and Small Enterprises**

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information

available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

- f. Figures have been rounded off to nearest rupees in lakhs upto two decimals

18. Fair Value Measurements

(₹ In Lakhs)

	31 st March, 2018	
Financial Instruments by category	FVOCI	Amortised cost
Financial Assets		
Cash & cash Equivalents	-	0.19
Total Financial assets	-	0.19
Financial Liabilities		
Current Financial Liabilities	-	1521.02
Total financial liabilities	-	1521.02

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An Explanation of each level follows underneath the table.

(₹ in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018					
Financial Assets		-	-	-	-
Total Financial Assets					
Financial Liabilities					
Borrowings	-	-	-	-	-
Total financial liabilities	-	-	-	-	-



Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost

(₹ in Lakhs)		
	31 March 2018	
	Carrying Amount	Fair value
Financial Assets	0.19	0.19
Total Financial Assets	-	-
Financial Liabilities		
Other current financial liabilities	1521.02	1521.02
Total financial liabilities	1521.02	1521.02

The carrying amounts of trade receivables, cash and cash equivalents, other current financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.



For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

19. Related party Transactions

(a) Holding Company

		Proportion of Ownership Interest
Name of entity	Place of business/country of incorporation/Relationship	31-Mar-2018
Powergrid Corporation of India Limited*	India- Holding Company	100%
REC Transmission Projects Company Ltd**		

*100% Shares were acquired by Power Grid Corporation of India Limited from REC Transmission Projects Company Limited on 27.03.2018.

**Ceased to be holding company w.e.f. 27.03.2018

(b) List of fellow subsidiaries

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest
		31st March, 2018
Powergrid NM Transmission Limited	India	N.A
Powergrid Vizar Transmission Limited	India	N.A
Powergrid Kala Amb Transmission Limited	India	N.A
Powergrid Jabalpur Transmission Limited	India	N.A
Powergrid Warora Transmission Limited	India	N.A
Powergrid Parli Transmission Limited	India	N.A
Powergrid Southern Interconnector Transmission Limited	India	N.A
Powergrid Vemagiri Transmission Limited	India	N.A
Grid Conductors Limited#	India	N.A
Powergrid Medinipur Jeerat Transmission Limited [erstwhile Medinipur Jeerat Transmission Limited]	India	N.A
Powergrid Mithilanchal Transmission Limited*[erstwhile ERSS XXI Transmission Limited]	India	N.A
Powergrid Unchahar Transmission Limited	India	N.A

*100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Company Limited on 12th January, 2018

Pursuant to the application dated 13 June, 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Ltd., the company ceases to be wholly owned subsidiary.



(c) List of fellow Joint Ventures

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest
		31st March, 2018
Powerlinks Transmission Limited	India	N.A
Torrent Power Grid Limited	India	N.A
Jaypee Powergrid Limited	India	N.A
ParbatiKoldam Transmission Company Limited	India	N.A
Teestavalley Power Transmission Limited	India	N.A
North East Transmission Company Limited	India	N.A
National High Power Test Laboratory Private Limited	India	N.A
Bihar Grid Company Limited	India	N.A
KalingaVidyutPrasaran Nigam Private Limited#	India	N.A
Cross Border Power Transmission Company Limited	India	N.A
RINL Powergrid TLT Private Limited	India	N.A
Power Transmission Company Nepal Ltd	Nepal	N.A

Powergrid ; Board of Directors in its meeting held on 16th Aug 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Vidyut Prasaran Nigam Pvt. Ltd. under fast track exit made of Registrar of Companies (ROC).

(d) Key Management Personnel

Name	Designation	Date of Appointment
Smt. Seema Gupta	Chairperson	27.03.2018 and continuing
Shri D. C. Joshi	Director	27.03.2018 and continuing
Shri M. Taj Mukarrum	Director	27.03.2018 and continuing
Shri Atul Trivedi	Director	27.03.2018 and continuing
Shri D. K. Singh	Director	27.03.2018 and continuing
Sh.Valli Natarajan	Chairman	12.01.2017 and resigned on 27.03.2018
Sh. Sanjay Shilendra Kumar Kulshrestha	Director	12.01.2017 and resigned on 27.03.2018
Sh. Mohan Lal Kumawat	Director	12.01.2017 and resigned on 27.03.2018

(e) Transactions with related parties

The following transactions occurred with related parties:

Sl no	Particulars	₹ in Lakhs
1.	Services received from REC Transmission Projects Company Limited*(Incl taxes)	1269.93
2.	Interest Expense paid to REC Transmission Projects Company Limited*	15.87
3.	Reimbursement of expenses(Incl taxes) paid to	271.50

	REC Transmission Projects Company Limited*	
4.	Reimbursement of expenses(Incl taxes) paid to Powergrid Corporation of India Ltd.	13.17

*100% Shares were acquired by Power Grid Corporation of India Limited from REC Transmission Projects Company Limited on 27.03.2018 and therefore REC Transmission Projects Company Limited Ceased to be Holding Company w.e.f. 27.03.2018

(f) Outstanding balances arising with related parties:

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in Lakhs)	
Particulars	31 March, 2018
Power Grid Corporation of India Ltd.	1520.67

20. Segment Information

Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

21. Capital and other Commitments

(₹ in Lakhs)	
Particulars	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL

22. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

(i) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to NIL are being contested before Appellate Authorities. The company is confident on this matter will be disposed of in favour of the company.



(ii) Others

Powergrid Corporation of India Ltd. has issued 19 nos. Bank guarantees amounting to ₹ 3038 Lakh on behalf of the company.

23. Capital management

a) Risk Management

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018.

24. Earnings per share

(Amount in ₹/Share)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018
From Continuing Operations including movement in Regulatory Deferral Balances	(1.34)
From Continuing Operations excluding movement in Regulatory Deferral Balances	(1.34)
Total basic diluted earnings per share attributable to the equity holders of the company	(1.34)

(₹ in Lakhs)

(b) Reconciliation of earnings used in denominator for calculating earnings per share	31 March, 2018
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Balances	(0.67)
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Balances	(0.67)



Total Earnings attributable to the equity holders of the company	(0.67)
--	--------

(c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000
Adjustments for calculation of diluted earnings per share	
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000

25. Financial Risk Management:

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are generated from its operations.

The Company's activities expose it to the following financial risks, namely,

- a) Credit risk,
- b) Liquidity risk,
- c) Market risk.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the Company is summarized below:-

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company

continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of charge on delayed payment beyond 60 days. A granted rebate is provided by the company for payment made within 60 days.

(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 0.19 Lakhs (31st March, 2018). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ Exposure to credit risk

(₹ in Lakhs)	
Particulars	31 st March, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	0.19
Total	0.19

○ Provision for expected credit losses

(₹ in Lakhs)						
Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due
Gross carrying amount as on 31 st March, 2018	-	-	-	-	-	-

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.



Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in Lakhs)				
Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Other Current financial liabilities	1521.02	-	-	1521.02
Total	1521.02	-	-	1521.02

C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.



ii) Interest rate risk

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

For Shyam S. Gupta & Co.

ICAI FRN : 000132N

Chartered Accountants


Lokesh Gupta
Partner
Membership No. 096303



For and on behalf of

POWERGRID Varanasi Transmission System Limited


Seema Gupta
Chairperson
DIN: 06636330


M. Taj Mukarrum
Director
DIN: 08097837

Place: Gurugram

Date: 11.07.2018

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2011GOI217975)

ANNUAL REPORT (2017-18)

POWERGRID VEMAGIRI TRANSMISSION LIMITED

CIN: U40300DL2011GOI217975

Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I on behalf of the Board of Directors present the Seventh Annual Report of POWERGRID Vemagiri Transmission Limited on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31st March, 2018.

State of the Company's Affairs

POWERGRID Vemagiri Transmission Limited, formerly known as Vemagiri Transmission System Limited was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). The transmission system comprising 765kV D/C was to traverse the state of Andhra Pradesh and Telangana.

CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.

Financial Performance

As on 31st March, 2018, the Company had a loss of ₹0.69 lakh on account of Finance Cost and Administration & other expenses.

Share Capital

As on March 31, 2018, the Company had Authorized, Subscribed and Paid up Share Capital of ₹5 lac divided into 50,000 equity shares of ₹10/- each.

Dividend and Transfer to Reserves

Your Company project is under implementation hence there is no operating profit.

Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as ***Annexure- I*** to the Directors' Report.

Details of Significant & Material Orders passed by the regulators, courts, tribunals impacting the going concern status and company's operation in future

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any subsidiaries, joint ventures and associate companies.

Directors' Responsibility Statement

As required under section 134 (3) (c) & 134(5) of the Companies Act, your Directors confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgements 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 loss of the company for that period;

- iii. 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;
- iv. the Directors had prepared the Annual Accounts on a going concern basis; and
- v. 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.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at ***Annexure –II*** to this Report.

Board of Directors and Key Managerial Personnel

As on 31st March, 2018, the Board comprised of 3 Directors Shri K.S.R. Murty, Shri Anil Jain and Shri V. Sekhar.

There were some changes in the Board of Director of the Company during the financial year 2017-18. Shri Upendra Pande and Shri Ranjan Kumar Srivastava resigned from the directorship of the Company w.e.f. 04.07.2017 and 07.02.2018, respectively. Shri Anil Jain was appointed by the Board as Additional Director w.e.f 04.07.2017 and after your approval in the last AGM held on 26.09.2017, he was appointed as the Director of the Company. Further, Shri Murty has been appointed as Additional Director w.e.f 08.02.2018 who hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Murty as Director, liable to retire by rotation in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Shri V. Sekhar shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Pursuant to provisions of Section 203 of the Companies Act, 2013, there is no KMP appointed in the Company.

Number of Board meetings during the year

During the financial year ended 31st March, 2018, six (6) Board meetings were held on 11.04.2017, 04.07.2017, 21.09.2017, 22.12.2017, 04.01.2018 and 19.03.2018. The details of number of meetings attended by each Director during the financial year 2017-18 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2017-18	No. of Board Meetings attendance during 2017-18
Shri Ranjan Kumar Srivastava*	Chairman	5	5
Shri Upendra Pande**	Director	2	2
Shri V. Sekhar	Director	6	2
Shri Anil Jain***	Director	4	4
Shri KSR Murty ****	Director	1	1

*Ceased to be Director w.e.f 07/02/2018

**Ceased to be Director w.e.f 04/07/2017

***Appointed as Director w.e.f 04/07/2017

****Appointed as Director w.e.f 08/02/2018

Committees of the Board

Audit Committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Nomination & Remuneration Committee

The provision of Section 178 of the Companies Act, 2013 read with Rule 6 the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Statutory Auditors

M/s. Prahalad Khandelwal & Co., Chartered Accountants, Hyderabad were appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2017-18.

Further, M/s. Prahalad Khandelwal & Co., Chartered Accountants, have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors' Report

The Statutory Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

Details in respect of frauds reported by auditors other than those which are reportable to the Central Government

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143 (6) (a) of the Companies Act, 2013 of the financial statements of the company for the year ended 31st March, 2018. CA&G vide letter dated 29th June 2018 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors report. Copy of letter dated 29th June, 2018 received from C&AG is placed at ***Annexure-III*** to this report.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

Since no commercial activity was carried out by the Company, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Development & Implementation of Risk Management Policy

Your Company being a wholly owned subsidiary of POWERGRID is covered under the Risk Management Framework as being done in POWERGRID, the holding company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment at Workplace

There was no incidence of Sexual Harassment during the Financial Year 2017-18.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2018.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

For and on behalf of
POWERGRID Vemagiri Transmission Limited

Sd/-
(KSR Murty)
Director
(DIN: 07359191)

Sd/-
(Anil Jain)
Director
(DIN:07575312)

Date: 3rd September, 2018
Place: Gurgaon

POWERGRID VEMAGIRI TRANSMISSION LIMITED

FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.
- 2.

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	-
b	Nature of contracts/arrangements/transaction	-
c	Duration of the contracts/arrangements/transaction	-
d	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e	Justification for entering into such contracts or arrangements or transactions'	-
f	Date of approval by the Board	-
g	Amount paid as advances, if any	-
h	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	-
b	Nature of contracts/arrangements/transaction	-
c	Duration of the contracts/arrangements/transaction	-
d	Salient terms of the contracts or arrangements or transaction including the value, if any	-

e	Date of approval by the Board	-
f	Amount paid as advances, if any	-

For and on behalf of
POWERGRID Vemagiri Transmission Limited

Sd/-
(KSR Murty)
Director
(DIN: 07359191)

Sd/-
(Anil Jain)
Director
(DIN:07575312)

Date: 3rd September, 2018

Place: Gurgaon

POWERGRID VEMAGIRI TRANSMISSION LIMITED**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL20011GOI217975
ii.	Registration Date	21 st April, 2011
iii.	Name of the Company	POWERGRID Vemagiri Transmission Limited
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Power Grid Corporation of India Limited (POWERGRID)*	L40101DL1989GOI038121	Holding company	100%	2(46)

* Holding Company w.e.f. 18.04.2012

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	6*	6*	0.012	-	6*	6*	0.012	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	49994	49994	99.988	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	0	50000	50000	100	0	50000	50000	100	-

(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	50000	50000	100	-	50000	50000	100	-

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Power Grid Corporation of India Limited (POWERGRID)	49994	99.988	-	49994	99.988	-	-

2.	Shri I.S. Jha, jointly with POWERGRID	01	0.002	-	01	0.002	-	-
3.	Shri D. K. Valecha jointly with POWERGRID	01	0.002	-	01	0.002	-	-
4.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.002	-	-
5.	Shri Upendra Pande jointly with POWERGRID	01	0.002	-				-(0.002)
6.	Shri Anil Jain jointly with POWERGRID				01	0.002	-	0.002
7.	Ms. Seema Gupta jointly with POWERGRID	01	0.002	-	01	0.002	-	-
8.	Shri A. K. Singhal jointly with POWERGRID	01	0.002	-	01	0.002	-	-
Total		50000	100	-	50000	100	0	-

**01 Equity share held by Shri Upendra Pande (jointly with POWERGRID) transferred to Shri Anil Jain (jointly with POWERGRID) on 04.07.2017*

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50,000	100	50,000	100

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p>There was no change in promoters shareholding however there was 1 (one) change in the POWERGRID's nominee (Individual) who hold 1 equity share each jointly with POWERGRID which is as follows:</p> <p>1. 01 Equity share held by Shri Upendra Pande (jointly with POWERGRID) transferred to Shri Anil Jain (jointly with POWERGRID) on 04.07.2017.</p> <p><i>(May please also refer information provided under Sr. No. IV (ii) above).</i></p>			
	At the End of the year	50,000	100	50,000	100

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
1	Shri K S R Murty, Director*				
	At the beginning of the year	0	0.000	0	0.000
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	0	0.000	0	0.00
2	Shri V. Sekhar, Director				
	At the beginning of the year	0	0.000	0	0.000
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year	0	0.000	0	0.000
3	Shri Anil Jain, Director				
	At the beginning of the	0	0	01**	0.002

	year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Acquired jointly with POWERGRID from Shri Upendra Pande on 04.07.2017.			
	At the End of the year	01**	0.002	01**	0.002

*appointed as Director w.e.f. 08.02.2018

** Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
- Addition				
- Reduction				
Net Change	-	-	-	-

Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTM/ Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-	-

5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:
[Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of
POWERGRID Vemagiri Transmission Limited

Sd/-
(KSR Murty)
Director
(DIN: 07359191)

Sd/-
(Anil Jain)
Director
(DIN:07575312)

Date: 3rd September, 2018
Place: Gurgaon



भारतीय लेखापरीक्षा और लेखा विभाग
महा निदेशक वाणिज्यिक लेखापरीक्षा एवं
पदेन सदस्य लेखापरीक्षा बोर्ड का कार्यालय, हैदराबाद

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,
AUDIT BOARD, HYDERABAD

DGCA/A/c/Desk/2017-18/PG Vemagiri /1.66 | 114

29 June 2018

To
The Chairman,
Powergrid Vemagiri Transmission Limited,
Secunderabad.

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Vemagiri Transmission Limited for the year ended on 31 March 2018

Sir,

I forward herewith the 'Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Vemagiri Transmission Limited for the year ended on 31 March 2018.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2017-18 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully,


(L. Tochhawng)
Director General

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID VEMAGIRI TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Powergrid Vemagiri Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Vemagiri Transmission Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

**For and on behalf of the
Comptroller and Auditor General of India**



(L. Tochhawng)

**Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad**

**Place: Hyderabad
Date: 29 June 2018**



INDEPENDENT AUDITORS' REPORT

To the Members of **Power Grid Vemagiri Transmission Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Power Grid Vemagiri Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.





PRAHALAD KHANDLWAL & Co.

CHARTERED ACCOUNTANTS

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Emphasis of Matter

There are no matters of emphasis to be reported.



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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure'2'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e. As Per Notification No. GSR 463(E) Dated 05/06/2015, section 164(2) regarding Directors Disqualification is not applicable to this company.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**.





PRAHALAD KHANDELWAL & Co.
CHARTERED ACCOUNTANTS

g. 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company is not having any pending litigation hence disclosure to the same has not been disclosed;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company.

For PRAHALAD KHANDELWAL & Co.
CHARTERED ACCOUNTANTS
Firm Reg No: 002714S


Vinod Bajaj

(Partner)

Membership No. 205343



Place: *Hyderabad*

Date: *22/5/2018*

Power Grid Vemagiri Transmission Ltd. CARO Report FY 2017-18

Annexure-1

In Terms of The Companies (Auditor's Report) Order 2016 (Hereinafter be called as "The Order"), issued by the Central Government in terms of Section 143(11) of the Act, our comments in respect of **Power Grid Vemagiri Transmission Limited**, on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable is as follows:

		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Not applicable since the company does not own any fixed assets as on the date of balance sheet.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not applicable since the company does not own any fixed assets as on the date of balance sheet.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Not applicable since the company does not own any immovable properties as on the date of balance sheet..
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Not applicable since the company does not own any inventory during the current financial year
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c)	If the amount is overdue, state the total amount overdue for more than 90 days,	Not Applicable

Power Grid Vemagiri Transmission Ltd. CARO Report FY 2017-18

		and whether reasonable steps have been taken by the company for recovery of the principal and interest.	
(iv)		In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
(v)		in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal
(vi)		Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.	According to information and explanations given to us, there is no such default.
(vii)		whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	The Provisions of the clause (vii) of the Order, relating to maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable since the Company's turnover or Net Worth of the Company as the case may be has not exceeded Rs.500.00 Crores during the current year
(viii)		Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including: i) Provident fund; ii) Employees' state insurance; iii) Income-tax;	According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 st March,

Power Grid Vemagiri Transmission Ltd. CARO Report FY 2017-18

	<p>(a) iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues.</p> <p>If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.</p>	<p>2018 for a period of more than six months from the date they became payable.</p>
	<p>(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax havenot been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</p>	<p>According to information and explanations given to us, there are no disputed dues of Income Tax, sales Tax, Service Tax, Duty of Customs or Duty of Excise which have not been deposited.</p>
(ix)	<p>Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</p>	<p>Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments).</p>
(x)	<p>Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;</p>	<p>The company has not provided for any Managerial Remuneration for the year 2017-2018. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company except costs allocated by the Holding Company based on the time spent. Accordingly the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (x) of the Order is not applicable to the Company</p>
(xi)	<p>Whether any fraud by the company or any fraud on the Company by its officers or</p>	<p>According to the information and explanations given to us, no fraud on or by the Company has</p>



Power Grid Vemagiri Transmission Ltd. CARO Report FY 2017-18

	employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	been noticed or reported during the year.
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	According to the information and explanations given to us, there is no such case.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	According to the information and explanations given to us, there is no such case.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.



PRAHALAD KHANDELWAL & Co.
Chartered Accountants

ANNEXURE-2

Phone : 040-23203163, 42034163
E-mail : pk_company2002@yahoo.com

Room No 509, 5th Floor, B Block
Raghava Towers, Chirag Ali Lane
Hyderabad-500 001

=====

Report under Section 143(5) of the Companies Act, 2013, in respect of POWERGRID VEMAGIRI TRANSMISSION LIMITED, on the Annual Accounts for the year ended 31st March, 2018.

SPECIFIC AREAS EXAMINED DURING THE COURSE OF AUDIT OF ANNUAL ACCOUNTS OF POWERGRID NM TRANSMISSION LIMITED FOR THE YEAR ENDED 31ST MARCH 2018, IN TERMS OF THE DIRECTIONS / SUB-DIRECTIONS ISSUED TO US :

Sl. No.	Particulars	Management's Reply	Statutory Auditors' Reply
1.	Whether the Company has clear title/lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings/flats for which title/lease deeds are not available.	<i>Not applicable as the company does not possess any land as on the date of balance sheet.</i>	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	<i>There were no cases of waiver of debts/loans/interest etc. during the financial year.</i>	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grants(s)	<i>There are no inventories lying with the third parties.</i> <i>There are also no assets received as gift from</i>	Based on the information and representations provided by the Management to us and based on the verification



Sl. No.	Particulars	Management's Reply	Statutory Auditors' Reply
	from Govt. or other authorities.	Government or other Authorities.	procedures performed by us, we agree to the Management's response.

For Prahalad Khandelwal & CO.,
Chartered Accountants
Firm Registration No. 002714S

Vinod Bajaj

Vinod Bajaj

Partner

M. No. 205343



Place: *Hyderabad*

Dated: *22/5/2018*

ANNEXURE – 3

As referred to in our Independent Auditors' Report to the members of the **Power Grid Vemagiri Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2018

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 of the company as at March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and



(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 Prahalad Khandelwal & Co.
Chartered Accountants
Firm Registration No. 002714S



Vinod Bajaj
Partner
M. No. 205343

Place : Hyderabad

Dated: 22/5/2018

POWERGRID VEMAGIRI TRANSMISSION LIMITED
Balance Sheet as at 31st March 2018

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets		-	-
Current assets			
Financial Assets			
Cash and cash equivalents	4	0.16	0.17
		0.16	0.17
Total Assets		0.16	0.17
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	5	5.00	5.00
Other Equity	6	(1,943.95)	(1,943.26)
		(1,938.95)	(1,938.26)
Liabilities			
Non-current liabilities			
Current liabilities			
Financial liabilities			
Other current financial liabilities	7	1,939.07	1,938.39
Other current liabilities	8	0.04	0.04
		1,939.11	1,938.43
Total Equity and Liabilities		0.16	0.17

The accompanying notes (1 to 22) form an integral part of financial statements


As per our report of even date
For PRAHALAD KHANDELWAL & Co.
ICAI Firm Regn. No. 002714S


Vinod Bajaj
(Partner)
Membership No. 205343

Place : Hyderabad
Date : 22-05-2018




For and on behalf of the Board of Directors


Anil Jain

Director
DIN : 07575312

Place : Gurugram
Date : 22-05-2018


K S R Murty

Director
DIN : 07359191

POWERGRID VEMAGIRI TRANSMISSION LIMITED
Statement of Profit and Loss for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations		-	-
EXPENSES			
Finance costs	9	0.01	0.02
Other expenses	10	0.68	0.59
Total expenses		0.69	0.61
Profit/(loss) before tax		(0.69)	-0.61
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(loss) for the period		(0.69)	(0.61)
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		(0.69)	(0.61)
Earnings per equity share (Par Value ₹ 10 each)			
Basic (in ₹)		(1.38)	(1.21)
Diluted (in ₹)		(1.38)	(1.21)

The accompanying notes (1 to 22) form an integral part of financial statements

As per our report of even date
For PRAHALAD KHANDELWAL & Co.
 ICAI Firm Regn. No. 0027145


Vinod Bajaj
 (Partner)

Membership No. 205343



For and on behalf of the Board of Directors



Anil Jain
 Director
 DIN : 07575312



K S R Murty
 Director
 DIN : 07359191

Place : Hyderabad
 Date : 22-05-2018

Place : Gurugram
 Date : 22-05-2018

POWERGRID VEMAGIRI TRANSMISSION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2018

		(₹ in Lakhs)	
	PARTICULARS	For the year ended 31st Mar 2018	For the year ended 31st Mar 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) as per Profit & Loss A/c		
	Adjustment For Increase/Decrease in:	(0.69)	(0.61)
	Other current Liabilities		
	Cash generated from operations	0.68	0.59
B.	CASH FLOW FROM INVESTING ACTIVITIES	(0.01)	(0.02)
	Capital Work in Progress		
	Net cash from Investing Activities	-	-
C.	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Issue of Share Capital		
	Net cash from Financing Activities	-	-
D.	Net change in Cash and Cash Equivalents (A+B+C)	(0.01)	(0.02)
E.	Cash and Cash Equivalents (Opening Balance)	0.17	0.19
F.	Cash and Cash Equivalents (Closing Balance) (As per Note 4)	0.16	0.17

The accompanying notes (1 to 22) form an integral part of financial statements

Note:

- I) Cash & Cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity upto three months.
- II) Previous year figures have been re-grouped / re-arranged wherever required.

As per our report of even date
For PRAHALAD KHANDLWAL & Co.
CHARTERED ACCOUNTANTS
 ICAI Firm Regn. No. 0027145

Vinod Bajaj

Vinod Bajaj
 (Partner)

Membership No. 205343



For and on behalf of the Board of Directors

Anil Jain

Anil Jain
 Director
 DIN : 07575312

K S R Murty

K S R Murty
 Director
 DIN : 07359191

Place : Hyderabad

Date : 22-05-2018

Place : Gurugram

Date : 22-05-2018

Statement of Changes in Equity for the Year ended 31st March 2018

A. Equity Share Capital

(₹ in Lakhs)

As at 1st April, 2016	5.00
Changes in equity share capital	-
As at 31st March, 2017	5.00
Changes in equity share capital	-
As at 31st March, 2018	5.00

B. Other Equity

(₹ in Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Total
			CSR Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2016	-	-			(1,942.65)	(1,942.65)
Total Comprehensive Income for the year	-	-			(0.61)	(0.61)
Balance at 31st March, 2017	-	-	-	-	(1,943.26)	(1,943.26)

(₹ in Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Total
			CSR Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2017	-	-	-	-	(1,943.26)	(1,943.26)
Total Comprehensive Income for the year	-	-	-	-	(0.69)	(0.69)
Balance at 31st March, 2018	-	-	-	-	(1,943.95)	(1,943.95)

The accompanying notes (1 to 22) form an integral part of financial statements

Refer Note 6 for movement and nature of Reserve and Surplus

As per our report of even date

For PRAHALAD KHANDLWAL & Co.

ICAI Firm Regn. No. 002714S



Vinod Bajaj
(Partner)

Membership No. 205343



For and on behalf of the Board of Directors



Anil Jain

Director

DIN : 07575312



K S R Murty

Director

DIN : 07359191

Place : Hyderabad

Date : 22-05-2018

Place : Gurugram

Date : 22-05-2018

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 4/Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
Balance with banks		
-In Current accounts	0.16	0.17
Total	0.16	0.17



POWERGRID VEMAGIRI TRANSMISSION LIMITED**Note 5/Equity Share capital**

Particulars	(₹ in Lakhs)			
	As at 31st March, 2018		As at 31st March, 2017	
Equity Share Capital				
Authorised				
50000 equity shares of ₹ 10/- each at par	5.00		5.00	
Issued, subscribed and paid up				
50,000 equity shares of ₹ 10/-each at par fully paid up	5.00		5.00	
Total	5.00		5.00	
Further Notes:				
1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period				
Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00
2) The Company has only one class of equity shares having a par value of ₹ 10/- per share.				
3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.				
4) Shareholders holding more than 5% equity shares of the Company				
Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited	50,000	100	50,000	100

Out of 50000 Equity Shares (Previous Year 50000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.



POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 6/Other Equity

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
Reserves and Surplus		
Retained Earnings		
As per last balance sheet	(1,943.26)	(1,942.65)
Add:Additions		
Profit after tax as per Statement of Profit & Loss	(0.69)	(0.61)
Less: Appropriations		
Closing Balance	(1,943.95)	(1,943.26)
TOTAL	(1,943.95)	(1,943.26)



POWERGRID VEMAGIRI TRANSMISSION LIMITED**Note 7/Other Current Financial Liability**

(₹ in Lakhs)

Particulars	As at 31st March,2018	As at 31st March,2017
Related Party (M/s Power Grid Corporation of India Ltd.,)	1,938.64	1,937.97
Others	0.43	0.42
Total	1,939.07	1,938.39

Further Notes:

Others represents Audit Fees payable

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 11



POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 8/Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Statutory dues	0.04	0.04
Total	0.04	0.04



POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 9./Finance costs

(₹ in Lakhs)		
Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Other finance charges	0.01	0.02
TOTAL	0.01	0.02



POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 10/Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Professional charges (Including TA/DA)	0.20	0.12
Payments to Statutory Auditors		-
Audit Fees	0.48	0.46
Printing and stationery	-	0.01
Total	0.68	0.59



Notes to Financial Statements

1. Corporate and General Information

Powergrid Vemagiri Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The company is engaged in the business of Power Transmission Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The financial statements of the company for the year ended Mar 31, 2018 were approved for issue by the Board of Directors as on 22-05-2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value at Note no. 2.11.

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).



2.2 Property, Plant and Equipment

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.



The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.4 Intangible Assets and Intangible Assets under development

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.



Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for assets specified in the following paragraphs.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets, following the rates and methodology notified by the CERC.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.



Depreciation on additions to/deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The residual values, useful lives and methods of depreciation for assets are reviewed at each financial year-end and adjusted prospectively, wherever required.

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

b) Operating leases

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.



ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, loans to employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.



De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.



Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under IND AS 17.
- (d) Trade receivables under IND AS 18
- (e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).
- (f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

2.12 Foreign Currency Translation

- (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.



(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.



2.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers.

2.14.2 Other Income

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

2.15 Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.



b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.



2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

3. Critical Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



11. Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Lakhs)

Sl. No.	Particulars	Current Year	Previous Year
1.	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	Nil Nil
2.	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

12. GOING CONCERN ASSUMPTION

The company was formed as SPV for execution of Vemagiri Transmission system allocated on Tariff Based Competitive Bidding (TBCB).CERC vide order dated 09.05.2013 and 27.09.2013 interalia stated that Vemagiri Transmission system cannot be executed in its present form. In this scenario, the company may not be able to do further any activity and may cease to be a going concern in near future.



- 13 The CERC vide its order dated 06th April 2015, had withdrawn their earlier regulatory approval given vide its order dated 13-Dec-2011 since the transmission project is not required to be implemented as there was no enough gas in the KG Basin to supply to the beneficiaries M/s Samalkot Power Ltd., and M/s Spectrum Power generation Limited.
- 14 As on the date of Balance sheet company does not have any Inventory or own any Property, Plant & Equipment and hence no depreciation provided in the books of accounts.

Further, the company being in Loss, Deferred tax provision has not been made as the company will cease to be a going concern in near future.

15. Fair Value Measurements

(₹ in Lakhs)

Financial instruments by category	31 March 2018		31 March 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Cash & Cash Equivalents		0.16		0.17
Total financial assets	-	0.16	-	0.17
Financial Liabilities				
Other Financial Liabilities		1939.07		1938.39
Total financial liabilities	-	1939.07	-	1938.39

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. Since there is nothing Non-Current as at 31st Mar 2018 and 31st Mar 2017, nothing has been categorised as Level 1 or Level 2 or Level 3.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amount of cash & cash equivalent and other financial liabilities are considered to be the same as their fair values, due to their short term nature.



16. Related party Transactions

(a) Holding Company

		Proportion of Ownership Interest	
Name of entity	Place of business/country of incorporation/Relationship	31-Mar-2018	31- Mar- 2017
Powergrid Corporation of India Limited	India- Holding Company	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powergrid Vizag Transmission Limited	India	NA	NA
Powergrid NM Transmission Limited	India	NA	NA
Powergrid Unchahar Transmission Limited	India	NA	NA
Powergrid Kala Amb Transmission Limited	India	NA	NA
Powergrid Jabalpur Transmission Limited	India	NA	NA
Powergrid Warora Transmission Limited	India	NA	NA
Powergrid Parli Transmission Limited	India	NA	NA
Powergrid Southern Interconnector Transmission Limited	India	NA	NA
Grid Conductors Limited *	India	NA	NA
Powergrid Medinipur Jeerat Transmission Limited	India	NA	NA
Powergrid Mithilanchal Transmission Limited**	India	NA	NA
WR-NR Transmission Limited***	India	NA	NA

* Pursuant to the application dated 13th June 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary.

**100% equity in Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Ltd.,) acquired from REC Transmission Projects Company Limited on 12th January, 2018

*** 100% equity in WR-NR Transmission Limited acquired from REC Transmission Projects Company Limited on 27th March, 2018



(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee Powergrid Limited	India	NA	NA
Parbati Koldam Transmission Company Limited	India	NA	NA
Teestavalley Power Transmission Limited	India	NA	NA
North East Transmission Company Limited	India	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA
Bihar Grid Company Limited	India	NA	NA
Kalinga BidyutPrasaran Nigam Private Limited ****	India	NA	NA
Cross Border Power Transmission Company Limited	India	NA	NA
RINL Powergrid TLT Private Limited	India	NA	NA
Power Transmission Company Nepal Ltd	Nepal	NA	NA

**** POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC).

(d) Key Management Personnel

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri K S R Murty	Director	08/02/2018	Continuing
2	Shri Anil Jain	Director	04/07/2017	Continuing
3	Shri V. Sekhar	Director	18/04/2012	Continuing
4	Shri Upendra Pandey	Director	01/08/2016	04/07/2017
5	Shri Ranjan Kumar Srivastava	Chairman	08/12/2015	07/02/2018



(e) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in Lakhs)		
Particulars	31 March, 2018	31 March, 2017
Amount payable (purchases of goods and services)		
<u>Holding Company</u>		
Power grid Corporation of India Ltd.	1938.64	1937.97
Total payables to related parties	1938.64	1937.97

17. Segment Information

Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

18. Capital and other Commitments

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

19. Contingent Liabilities and contingent assets

Contingent Liabilities

No contingent liability exists as on 31st Mar 2018. ₹. NIL as on 31st Mar 2017.

20. Earnings per share

(Amount in ₹)		
a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2018	31 March, 2017
From Continuing Operations	(1.38)	(1.21)
Total basic & diluted earnings per share attributable to the equity holders of the company	(1.38)	(1.21)



(₹ in Lakhs)

b) Reconciliation of earnings used in calculating earnings per share	31 March, 2018	31 March, 2017
Earnings attributable to the equity holders of the company	(0.69)	(0.61)
Total Earnings attributable to the equity holders of the company	(0.69)	(0.61)

c) Weighted average number of shares used as the denominator	31 March, 2018 No. of shares	31 March, 2017 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000

21. Employee Benefit Obligations

The company not employed any employee hence, does not have any employee related benefit obligations.

22. a) Figures have been rounded off to nearest rupee in lakhs up to two decimal.


b) The previous year figures have been reclassified/re-grouped to conform to the current year's classification.

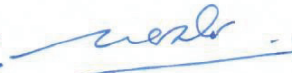
In terms of our report of even date
For PRAHALAD KHANDELWAL & Co.,
Chartered Accountants
ICAI Firm Reg No. 0027145



Vinod Bajaj
Partner
Mem No. 205343

For and on behalf of Board of Directors


Anil Jain
Director
DIN : 07575312


K S R Murty
Director
DIN : 07359191

Place: Hyderabad
Date: 22-05-2018

Place: Gurugram
Date: 22-05-2018