



POWERGRID SUBSIDIARIES

ANNUAL
REPORT | 2016-17

Team Spirit leads to Innovation
and Innovation leads to Growth



India's Best Companies
To Work For 2017

A STUDY BY
THE ECONOMIC TIMES



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POWERGRID NM TRANSMISSION LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40106DL2011GOI219542)

ANNUAL REPORT - 2016-17

POWERGRID NM TRANSMISSION LIMITED
(Wholly owned Subsidiary of Power Grid Corporation of India Limited)
(CIN - U40106DL2011GOI219542)

No. PNMTL/AGM/2017

Date: 4th September, 2017

To

The Members of PNMTL.

Dear Sir / Madam,

Sub:- Notice of the **6th Annual General Meeting** of PNMTL fixed to be held on **Friday, 29th September, 2017 at 17:15 hours at New Delhi.**

We enclose herewith the Notice along with audited financial statements of the Company for the Year ended 31st March 2017, the Reports of the Board of Directors, Statutory Auditors and Secretarial Auditors for the **Sixth Annual General Meeting (AGM)** of PNMTL, which will be held at **17:15 Hours on Friday, the 29th day of September, 2017** at New Delhi.

The Venue of the Meeting is:

BOARD ROOM
POWERGRID Registered Office
B – 9, Qutab Institutional Area, Katwaria Sarai,
New Delhi – 110016

You are requested to kindly make it convenient to attend the meeting.

Thanking You.

Your Faithfully

Sd/-

(Mrinal Srivastava)
Company Secretary

Encl: as above

To:

1. Shri R.P. Sasmal – Chairman & Member, PNMTL
2. Smt. Divya Tandon – Company Secretary POWERGRID & Representative of POWERGRID.
3. Shri Ravi P. Singh - Director
4. Shri D.K. Valecha – Director & Member, PNMTL
5. Shri S. Vaithilingam – Director & Member, PNMTL
6. Shri Ranjan Kumar Srivastava – Member, PNMTL
7. Shri Upendra Pande- Member, PNMTL
8. Smt. Seema Gupta –Member, PNMTL
9. M/s. Nainegli & Company Chartered Accountant – Auditors of PNMTL
10. Ms. Sunita Mathur, Secretarial Auditor



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

NOTICE

NOTICE is hereby given that the **Sixth Annual General Meeting** of the Members of POWERGRID NM Transmission Limited will be held on Friday, **the 29th September, 2017 at 17:15 p.m. at the Registered Office of the Company i.e. B-9, qutab Institutional Area, Katwaria Sarai, New Delhi-110016** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Subbiah Vaithilingam (DIN 07107854), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

SPECIAL BUSINESS:

4. **To appoint Ms. Seema Gupta (DIN 06636330), as a Director liable to retire by rotation**

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

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Seema Gupta (DIN 06636330), who was appointed as an Additional Director by the Board of Directors with effect from 12th May, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

By order of the Board of Directors

Sd/-

(Mrinal Shrivastava)

Company Secretary

Regd. Office: B-9, Qutab Institutional Area,

Katwaria Sarai, New Delhi - 110 016.

(CIN: U40106DL2011GOI219542)

Date: 4th September, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. None of the Directors of the Company is in any way related to each other.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in the 5th Annual General Meeting held on 30th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of Rs.1,40,000/- for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses.
5. M/s. Mallya & Mallya, Chartered Accountants, Bangalore, Karnataka have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2017-18.

EXPLANATORY STATEMENT**ITEM NO.3**

Appointment of Ms. Seema Gupta (DIN 06636330), who was appointed as an Additional Director by the Board of Directors with effect from 12th May,2017 **as a Director liable to retire by rotation**

Ms. Seema Gupta (DIN 06636330), who was appointed as an Additional Director by the Board of Directors with effect from 12th May,2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Ms. Seema Gupta as a Director on the Board of the Company.

The above appointment of Ms. Seema Gupta as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Ms. Seema Gupta does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.3 as an Ordinary Resolution.



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

PROXY FORM

Name of the member (s):

Registered address:

E-mail Id:

I/We, being the member (s) of shares of the above named company, hereby appoint:

1. Name of the member (s): Address: E-mail Id: Signature:....., or failing him	2. Name of the member (s): Address: E-mail Id: Signature:.....
---	---

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the company, to be held on **29th September, 2017 at 5:15 p.m. at the Registered Office of the Company i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31 st March, 2017, the Report of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Shri. S. Vaithilingam (DIN 07107854) who retires by rotation and being eligible offers for himself reappointment.		
3.	To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.		
Special Business			
4.	Appointment of Ms. Seema Gupta (DIN 06636330), as a Director liable to retire by rotation.		

Signed this.....day of....., 2017.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Directors' Report

To,
Dear Shareholders,
Ladies & Gentlemen,

Your Directors are pleased to present **6th Annual Report** of the on performance of the Company along with the Audit Financial Statements during the Financial Year ending 31st March,2017.

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, 2017.

Status of Project implementation:

Your Company is implementing Nagapattinam-Salem 765 kV D/C Line (about 200 kms.) and Salem- Madhugiri 765 kV S/C Line (about 220 kms.).

The Project implementation had been facing hurdles even before the actual constructions activities could have undertaken. Initially, the project suffered setback due to suspension of environmental clearance by National Green Tribunal to the Generation Project of M/s. IL&FS Tamil Nadu Power Company Limited which happens to be the lone Long Term Transmission Customer for the Transmission Project. This eventually led to a delay in grant of transmission license and adoption of transmission charges by CERC. After numerous hearings on the matter, CERC vide Order dated 09.05.2013 adopted the transmission charges and vide Order dated 20th June,2013 granted the Transmission license which was issued on 15.07.2013. On the issue of determination of time for execution of project and associated cost implication consequent to the delays in grant of transmission license and adoption of transmission charges, CERC, on 16.04.2014, directed that the Project be executed as expeditiously as possible and that the project is to be executed within a period of maximum 30 months with effect from 20.06.2013 (i.e. the date of Grant of Transmission License) and any delay in execution beyond 30 months from 20.06.2013 i.e. 20.12.2015 would have to be dealt as per the terms of TSA. Regarding the cost, the Order of CERC stated that, in a competitively bid project, upfront revision of tariff based on the cost escalation indices cannot be permitted as it would violate the sanctity of the competitive bidding. However, the Company cannot be made to suffer on account of reasons which are beyond its control. CERC further stated that after execution of the project, the Company may approach the CERC with a petition which would be dealt in line with the bidding guidelines and the terms of the TSA.

Your Company managed to start the construction activities by placing of awards for construction of the project during May,2014. During execution of the Project, the Company has been also facing problems on account of rapid urbanization alongside the route during the period of delay in grant of transmission license, new rates / charges (due to rerouting of transmission line) notified by the Authorities which, would be taken up as per provisions of TSA including Change in Law, Force Majeure and as per the Order dated 16.04.2014 of CERC.

In addition to above, both the elements of the projects suffered delays in implementation of the project and the status as on the date of this Report are as under:

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

The line traverse through the State of Tamil Nadu. The progress of line was severely affected due to severe RoW, floods and court cases. The Company had to take constant support from District Administration to resolve RoW. After clearance of court cases and with administration support Line was commissioned and is under commercial operation w.e.f 23.10.2016.

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

The line traverses through the States of Tamil Nadu and Karnataka. During the execution of the project, severe RoW problems were faced especially in Karnataka which adversely affected the construction of the transmission line. While work progress has been stagnant in Karnataka due to severe RoW issues, progress in Tamil Nadu was also affected due to RoW and delay in Wild Life clearance at two locations. However, all-out efforts are being made and issues of RoW were highlighted upto PMO for their intervention. Accordingly, Hon'ble Prime Minister during Pragati meeting held on 23.08.17, advised Chief Secretary, Govt. of Karnataka to provide all support for resolution of ROW within two months i.e. Oct' 17. After this development, there is more support from Administration and all efforts are being made to commission the line by the end of the FY 2017-18.

Project Financing:

Till 31.03.2017, project financing was met through debt of Rs.839.25 Crore (inter-corporate Loan from POWERGRID) and Rs.134 Crore from the Equity.

Dividend and Transfer to Reserves

Your Company's Project is under implementation hence there is no operating profit.

**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.

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 2016-17, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or 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 for the financial year 2016-17 on a going concern basis.
- 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.

Extract of Annual Return

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

Statutory Auditors Report for Financial Year 2016-17

M/s. Nainegli & Company, Chartered Accountants have carried out statutory audit for the Financial Year 2016-17. The Statutory Auditors Report on the Accounts of the Company for the Financial Year ended 31st March,2017 contain no qualification or observation.

Statutory Auditor for the Financial Year 2017-18

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s. Mallya & Mallya, Chartered Accountants, Bangalore, Karnataka have been appointed for the Financial Year 2017-18.

Comptroller and Auditors General's Comments

Director General, Indian Audit and Accounts Department, office of the Director General of Commercial Audit and Ex-officio Member, Audit Board, vide letter dated 17th August,2017, has communicated that Comptroller and Auditor General of India have decided not to conduct the supplementary audit of financial statements of POWERGRID NM Transmission Limited for the year ended 31st March, 2017 under Section 143(6) (a) of the Companies Act,2013. Copy of letter dated 17th August,2017 is placed at Annexure-III to this Report.

Secretarial Auditor

CS Sunita Mathur, Practicing Company Secretary has conducted secretarial audit of the Company for the financial year ended 31st March,2017. The report & observations of Secretarial Auditor and Explanation by the Management thereon are as under:

Observations	Explanation by Board
<p>The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 read with in respect of the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.</p>	<p>POWERGRID NM Transmission Limited (being owned Subsidiary of Power Grid Corporation of India Limited a Govt. Company) is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 (the Act). The power to appoint Directors on the Board of a Government Company vests with the Government of India.</p> <p>Pursuant to the provisions of Section 149(4) of Companies Act,2013 read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules,2014 the Company requires at least two Independent Directors on the Board. PNMTL, being subsidiary of POWERGRID, is a Government company in terms of provisions of Section 2(45) of the Companies Act,2013, therefore, the matter has already been taken up with Administrative Ministry for filling up vacancies of Independent Director on the Board of the Company.</p> <p>Since Board had no Independent Director during the financial year 2016-17, therefore, no meeting Independent Director could be convened.</p>

Observations	Explanation by Board
The Company has not complied with provisions of Section 177 of the Companies Act, 2013 and with respect to constitution of Audit Committee.	In view of the explanation given above, provisions of Section 177 of the Companies Act, 2013 and with respect to constitution of Audit Committee could not be complied with.
The Company has not complied with provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee.	In view of the explanation given above, provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee could not be complied with.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Outgo

Since projects are under implementation, no commercial activity was carried out by the Company, requirement of 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 is not applicable.

Particulars of Loans, Guarantees or Investments

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

Fixed Deposit

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

Board of Directors and Key Managerial Personnel

As on 31st March, 2017, the Board comprised of 5 Non-Executive Directors - Shri R.P. Sasmal, Shri R.K. Singh, Shri Ravi P. Singh, Shri S. Vaithilingam and Shri D.K. Valecha. On 12th May, 2017 Ms. Seema Gupta was appointed as Director on the Board of the Company w.e.f. 12th May, 2017.

In accordance with provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Shri S. Vaithilingam, 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.

Detail of Director or Key Managerial Personnel:

The following are the Directors of the Company at the Year ended 31.03.2017:

1. Shri R.P Sasmal, Director & Chairman of the Company
2. Shri Ravi P. Singh, Director
3. Shri S. Vaithilingam, Director
4. Shri D.K. Valecha, Director
5. Shri R.K. Singh, Director
6. Shri S. Ravindar Kumar, Chief Executive Officer
7. Shri Ashwini Kumar Das, Chief Financial Officer
8. Shri Mrinal Srivastava, Company Secretary.

Number of Board meetings held during the year

During the financial year ended 31st March, 2017 fourteen (14) Board meetings were held on 08.04.2016, 19.05.2016, 25.05.2016, 02.06.2016, 11.08.2016, 06.09.2016, 20.09.2016, 25.10.2016, 30.11.2016, 23.12.2016, 18.01.2017, 30.01.2017, 08.03.2017 and 14.03.2017. Detail of Meetings attended by each Director is given below:

Name of Director	Designation	Board Meeting attendance during FY 2016-17
Shri R. P. Sasmal	Chairman	14
Shri Ravi P. Singh	Director	12
Shri D. K. Valecha	Director	14
Shri S. Vaithilingam	Director	13
Shri R. K. Singh	Director	01

**Committees of the Board of Directors**

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Committee of Directors for Bonds
- iii) Nomination & Remuneration Committee

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 an Audit Committee of the Board of Directors has been constituted on 15th May,2015 and reconstituted on 9th December,2015. The role, powers, scope of functions of the Audit Committee is as per Section 177 of the Companies Act, 2013 and other applicable provisions of law, as amended from time to time. Shri Mrinal Srivastava is the Company Secretary.

Audit Committee comprises the following members:

- i) Shri S. Vaithilingam, Director - Chairman of the Committee
- ii) Shri R.K Singh, Director - Member
- iii) Shri D. K. Valecha, Director - Member

Number of Audit Committee meetings held during the year

During the financial year ended 31st March, 2017 two (02) Audit Committee meetings were held on 19.05.2016 and 06.09.2016. Detail of Meetings attended by each Director is given below:

Name of Director	Designation	Audit Committee attendance during FY 2016-17
Shri S. Vathilingam	Chairman	02
Shri D.K. Valecha	Director	02
Shri R.K Singh	Director	Nil

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. The Committee of Directors for Bonds presently comprises the following members:

- i) Shri R.P. Sasmal, Director - Chairman of the Committee
- ii) Shri S. Vaithilingam, Director - Member
- iii) Shri D. K. Valecha, Director - Member

Number of meetings Committee for Bonds

Since the Company has not raised any amount through issue of Bonds therefore no meeting of Committee for Bonds held during the financial year.

Nomination & Remuneration Committee:

Pursuant to provisions of Section 178 read with Rule 6 of the Companies Rules, 2014 and all other applicable provisions if any of the Companies Act, 2013 a Nomination & Remuneration Committee of the Board has been constituted on 8th April, 2016. The role, powers, scope of functions of the Nomination & Remuneration Committee is as per Section 178 of the Companies Act, 2013 and other applicable provisions of law, as amended from time to time. Nomination & Remuneration Committee comprises the following members:

- i) Shri Ravi P. Singh, Director - Chairman of the Committee
- ii) Shri R.P. Sasmal, Director - Member
- iii) Shri S. Vaithilingam, Director - Member

Number of meetings Committee for Nomination & Remuneration Committee

During the financial year ended 31st March,2017 two (02) Nomination & Remuneration Committee meetings were held on 11.08.2016 and 06.09.2016. Detail of Meetings attended by each Director is given below:

Name of Director	Designation	Board Meeting attendance during FY 2016-17
Shri Ravi P. Singh	Chairman	02
Shri R.P. Sasmal	Director	02
Shri S. Vaithilingam	Director	02

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.

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 is not required to be given.

Corporate Governance

As stated above, pursuant to provisions of Section 177 & 178 read with Rule 6 of the Companies Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and Audit Committee and Nomination & Remuneration Committee are in place.

Pursuant to the provisions of Section 149(4) of Companies Act,2013 read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules,2014 the Company requires at least two Independent Directors on the Board. PNMTL, being subsidiaries of POWERGRID, is a Government company in terms of provisions of Section 2(45) of the Companies Act,2013, therefore, letter for appointment of Independent Directors had been sent to GoI.

Acknowledgement

The Board of Directors with deep sense of appreciation acknowledges the guidance and cooperation received from POWERGRID, Comptroller and Auditor General of India, Auditors of the Company.

**For and on behalf of the Board of Directors
POWERGRID NM Transmission Limited**

Sd/-
(R. P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi

Date: 4th September,2017



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 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	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. The agreement entered into, are presently with POWERGRID towards inter-corporate loans of Rs. 839.25 Crore and Equity of Rs. 134.00 Crore (out of total sanctioned amount of Rs.215 Crs) 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.
c	Duration of the contracts / arrangements / 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	-

By order of the Board
For POWERGRID NM Transmission Limited

Sd/-
[R.P. Sasmal]
(Chairman)
DIN: 02319702

Place: New Delhi
Dated: 4th September,2017

POWERGRID NM TRANSMISSION LIMITED
Form No. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR END ED 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	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	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	-	600*	600	0	-	600*	600	0	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp\$	0	23999400	23999400	100	0	133999400	133999400	100	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	0	24000000	24000000	100	0	134000000	134000000	100	
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-



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	
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 ₹ 1 lakh (ii) Individual shareholders holding nominal share capital in excess of ₹ 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	24000000	24000000	100	-	134000000	134000000	100	-

ii. Shareholding of Promoters

		Shareholding at the beginning of the year. 01/04/2017			Shareholding at the end of the year. 31/03/2017			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED	23999400	99.99	-	133999400	99.99	-	-
2.	R.P. Sasmal jointly with POWERGRID	100	0.0004	-	100	0.000075	-	0.0039
3.	Ranjan Kumar Srivastava jointly with POWERGRID	-	-	-	100	0.000075	-	0.000075
4.	Upendra Pande jointly with POWERGRID	-	-	-	100	0.000075	-	0.000075
5.	R. T. Agarwal jointly with POWERGRID	100	0.0004	-	-	-	-	0.0004
6.	B. Mishra jointly with POWERGRID	100	0.0004	-	-	-	-	0.0004
7.	D. K Valecha jointly with POWERGRID	100	0.0004	-	100	0.000075	-	0.0039
8.	S. Vaithilingam jointly with POWERGRID	100	0.0004	-	100	0.000075	-	0.0039
9.	Seema Gupta jointly with POWERGRID	100	0.0004	-	100	0.000075	-	0.0039
	Total	24000000	100		134000000	100	-	0.017

Please refer notes in IV (i) above

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
1.	At the beginning of the year	24000000	100	24000000	100
2.	Allotment of 30000000 Shares vide Board resolution dated 02.06.2016	-	-	54000000	100
3.	Allotment of 14000000 Shares vide Board resolution dated 30.11.2016	-	-	68000000	100
4.	Allotment of 21000000 Shares vide Board resolution dated 23.12.2016	-	-	89000000	100
5.	Allotment of 22000000 Shares vide Board resolution dated 30.01.2017	-	-	111000000	100
6.	Allotment of 23000000 Shares vide Board resolution dated 08.03.2017	-	-	134000000	100
7.	At the End of the year	134000000	100	134000000	100

iv. Shareholding Pattern of Top Ten Shareholders (other than directors, promoters and holders of gdrs and ADRS):

Sl. No.	For Each of the Top 10 Shareholders	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	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
		-	-	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding at the beginning of the year	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
1.	Shri R. P. Sasmal, Director and Chairman of the Company				
	At the beginning of the year	100	0.0004	100	0.0004
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000075	100	0.000075

Sl. No.	Shareholding at the beginning of the year	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
2.	Shri S. Vaithilingam, Director of the Company				
	At the beginning of the year	100	0.0004	100	0.0004
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000075	100	0.000075

Sl. No.	Shareholding at the beginning of the year	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
3.	Shri D. K. Valecha, Director of the Company				
	At the beginning of the year	100	0.0004	100	0.0004
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	100	0.000075	100	0.000075

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		5,355,059,212		
ii) Interest due but not paid		142,842,237		
iii) Interest accrued but not paid				
Total(i+ii+iii)	-	5,497,901,449	-	-
Change in Indebtedness during the financial year	-	-	-	-
- Addition		3,233,469,953		
- Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount		8,392,481,321		
ii) Interest due but not paid		338,890,081		
iii) Interest accrued but not due				
Total (i+ii+iii)	-	8,731,371,402	-	-

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.	Grosssalary (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 (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors	0				0
	·Fee for attending board committee meetings	0				0
	·Commission	0				0
	·Others, please specify	0				0
	Total(1)	0				0
	Other Non-Executive Directors	0				0
	·Fee for attending board committee meetings					
	·Commission					
	·Others, please specify					
	Total(2)	0				0
	Total(B)=(1+2)	0				0
	Total Managerial Remuneration	0				0
	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	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as% of profit -others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0

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/-
(R.P Sasmal)
Chairman
[DIN: 02319702]

Date: 4th September, 2017
Place: New Delhi



Sunita Mathur
Practicing Company Secretary

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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** (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, 2017 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, 2017 according to the provisions of:

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



Sunita Mathur
Practicing Company Secretary

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 effective from 01.07.2015.

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

1. The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 read with in respect of the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.
2. The Company has not complied with provisions of Section 177 of the Companies Act, 2013 and with respect to constitution of Audit Committee.
3. The Company has not complied with provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee.

We further report that,

Subject to our observations at serial No. 1 to 3 above, the Board of Directors of the Company is constituted of Non-Executive Directors with the exception of requisite number of Independent Directors on the Board of the company as on 31st March, 2017. 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.



Sunita Mathur
Practicing Company Secretary

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions are carried with the consent of all the Directors.

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



Place: New Delhi
Date: September 4th, 2017

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: September 4th, 2017

Sunita Mathur
Company Secretary in Practice

FCS No. 1743

C P No.: 741

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 2017

The preparation of financial statements of Powergrid NM Transmission Limited for the year ended 31 March 2017 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 01 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid NM Transmission Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

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



(L. Tochiwong)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date: 17 Aug 2017



Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	7,868,650,672	122,161	116,483
(b) Capital work-in-progress	5	2,867,837,570	7,389,050,481	1,777,951,125
(c) Other Intangible assets	6	4,266	9,177	-
(d) Deferred Tax Asset (Net)	7	100,322,983	-	-
(e) Other non-current assets	8	22,351,675	70,013,005	221,331,288
		10,859,167,166	7,459,194,824	1,999,398,896
Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	9	632,626	724,623	10,640
(ii) Other current financial assets	10	189,943,842	294,207	597,286
(b) Other current assets	11	28,873	1,567,790	-
		190,605,341	2,586,620	607,926
Total Assets		11,049,772,507	7,461,781,444	2,000,006,822
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	1,340,000,000	240,000,000	240,000,000
(b) Other Equity	13	90,477,498	-38,158	-38,158
		1,430,477,498	239,961,842	239,961,842
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	14	8,392,481,321	5,355,059,212	913,400,000
		8,392,481,321	5,355,059,212	913,400,000
Current liabilities				
(a) Financial Liabilities				
(i) Other current financial liabilities	15	1,182,821,988	1,841,156,618	832,196,004
(b) Other current liabilities	16	43,991,700	25,603,772	14,448,976
		1,226,813,688	1,866,760,390	846,644,980
Total Equity and Liabilities		11,049,772,507	7,461,781,444	2,000,006,822

The accompanying notes (1 to 42) form an integral part of financial statements

As per our report of even date

For NAINGLI & CO
Chartered Accountants
Firm Regn. No. 002297S
Nainegli Mallinath
Chartered Accountant
Membership No. 025894

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman (Part-Time)
DIN : 02319702
(A.K. Das)
CFO

(S. Vaithilingam)
Director (Part-Time)
DIN : 07107854
(Mrinal Shrivastava)
Company Secy.

Place: Bangalore
Date: 01st August, 2017

Place : Gurgaon
Date : 18th July, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations	17	189,199,058	-
II Other Income	18	2,736,117	-
III Total Income (I+II)		191,935,175	-
IV EXPENSES			
Finance costs	19	222,555,388	-
Depreciation and amortization expense	20	186,699,384	-
Other expenses	21	72,487,730	-
Total expenses (IV)		481,742,502	-
V Profit/(loss) before tax (III- IV)		(289,807,327)	-
VI Tax expense:			
(1) Current tax			
(2) Deferred tax		(100,322,983)	
VII Profit (Loss) for the period (V-VI)		(189,484,344)	-
VIII Other Comprehensive Income			
IX Total Comprehensive Income for the period (VII+VIII)		(189,484,344)	-
X Earnings per equity share (Par value of ₹ 10 each):			
(1) Basic (₹)		(2.58)	-
(2) Diluted (₹)		(2.56)	-

The accompanying notes (1 to 42) form an integral part of financial statements

As per our report of even date

For NAINGLI & CO
Chartered Accountants
Firm Regn. No. 002297S
Nainegli Mallinath
Chartered Accountant
Membership No. 025894

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman (Part-Time)
DIN : 02319702
(A.K. Das)
CFO

(S. Vaithilingam)
Director (Part-Time)
DIN : 07107854
(Mrinal Shrivastava)
Company Secy.

Place: Bangalore
Date: 01st August, 2017

Place : Gurgaon
Date : 18th July, 2017

**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(289,807,327)	-
Depreciation for the year	186,699,384	
	(103,107,943)	-
Adjustment For Increase/Decrease in:		
Other Current Assets	(188,110,718)	421,976
Short Term Loans & Advances		(1,686,687)
Current Liabilities & Provisions	(639,946,701)	879,406,245
Net Cash generated from operations	(931,165,362)	878,141,534
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property Plant and Equipment and Capital work in progress	(3,534,010,073)	(5,470,405,048)
Long-term loans and advances	47,661,329	151,318,285
Net cash used in investing activities	(3,486,348,744)	(5,319,086,763)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Issue of Share Capital	1,100,000,000	-
Share Application Money pending Allotment	280,000,000	
Loan from Holding Company	3,037,422,109	4,441,659,212
Net cash from financing activities	4,417,422,109	4,441,659,212
D. Net Change In Cash and Cash equivalent (A+B+C)	(91,997)	713,983
E. Cash and Cash equivalent (Opening Balance)	724,623	10,640
F. Cash and Cash equivalent (Closing Balance)	632,626	724,623

As per our report of even date

For NAINGLI & CO
Chartered Accountants
Firm Regn. No. 002297S
Nainegli Mallinath
Chartered Accountant
Membership No. 025894

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman (Part-Time)
DIN : 02319702
(A.K. Das)
CFO

(S. Vaithilingam)
Director (Part-Time)
DIN : 07107854
(Mrinal Shrivastava)
Company Secy.

Place: Bangalore
Date: 01st August, 2017

Place : Gurgaon
Date : 18th July, 2017

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

(Amount in ₹)

Particulars	Amount
As at 1st April,2015	240,000,000
Changes in equity share capital	-
As at 31st March ,2016	240,000,000
Changes in equity share capital	1,100,000,000
As at 31st March ,2017	1,340,000,000

B. Other Equity

(Amount in ₹)

	Reserves and Surplus								Other Comprehensive Income		Total
	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	Other items of Other Comprehensive Income	
Balance at 1 st April,2015								(38,158)	-		(38,158)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 st March, 2016	-	-	-	-	-	-	-	(38,158)	-	-	(38,158)
Balance at 1 st April,2016	-	-	-	-	-	-	-	(38,158)	-	-	(38,158)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(189,484,344)	-	-	(189,484,344)
Other Changes	280,000,000										280,000,000
Balance at 31st March, 2017	280,000,000	-	-	-	-	-	-	(189,522,502)	-	-	90,477,498

As per our report of even date

For NAINGLI & COChartered Accountants
Firm Regn. No. 002297S**Nainegli Mallinath**Chartered Accountant
Membership No. 025894

For and on behalf of Board of Directors

(R.P. Sasmal)Chairman (Part-Time)
DIN : 02319702**(A.K. Das)**

CFO

(S. Vaithilingam)Director (Part-Time)
DIN : 07107854**(Mrinal Shrivastava)**

Company Secy.

Place: Bangalore
Date: 01st August, 2017Place : Gurgaon
Date : 18th July, 2017



Notes to Separate 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 (PFCL), (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 PFCL. 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 2017.

The Financial Statements of the company for the year ended 31st March 2017 were approved for issue by the Board of the directors on 18th July 2017.

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.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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 (Rupee or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupees, 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

Measurement on transition to IndAS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First Time adoption of Indian Accounting Standard'.

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, 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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

Depreciation / Amortisation on assets is provided on straight line method following the rates and methodology notified by CERC for the purpose of recovery of tariff, except for assets specified below

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.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation / Amortization 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.

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

Depreciation on 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.

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

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

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 Regulations. Leasehold land acquired on perpetual lease is not amortized.

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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.

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 group 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 effective rate of interest.

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.

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.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 profit or loss as other income or finance cost.

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.

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.

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 entered between the Transmission Service Provider and the Long Term Transmission Customers..

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.

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.

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 years profit to mitigate future losses from uninsured risks. The same 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 relevant accounting standard.

3. Critical Estimates

The preparation of financial statements requires the use of accounting estimates which, may significantly vary from the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement 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 area involving critical estimates or judgements are:

Estimation of Revenue

The Income is accounted proportionately for the partial commissioned line which is subject to the specific order of CERC on petition for the methodology for apportionment of transmission charges.

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

Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
	Plant & Equipment										
a) Transmission	-	8,015,194,233	-	-	8,015,194,233	-	185,513,318	-	-	7,829,680,916	-
b) Communication System	-	40,057,472	-	-	40,057,472	-	1,170,630	-	-	38,886,842	-
Furniture Fixtures	57,537	-	-	-	57,537	2,139	3,643	-	-	51,755	55,398
Electronic Data Processing & Word Processing Machines	101,750	-	-	-	101,750	34,987	35,604	-	-	31,159	66,763
Total	159,287	8,055,251,705	-	-	8,055,410,992	37,126	186,723,194	-	-	7,868,650,672	122,161

(Amount in ₹)

Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 31 st March, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 1 st April, 2015
	Plant & Equipment										
Furniture Fixtures	-	57,537	-	-	57,537	-	2,139	-	-	55,398	-
Electronic Data Processing & Word Processing Machines	116,483	-	-	14,733	101,750	35,601	614	34,987	614	66,763	116,483
Total	116,483	57,537	-	14,733	159,287	-	37,740	-	614	122,161	116,483

(Amount in ₹)

Note- The Company has opted for deemed cost exemption as per Ind AS 101 'First Time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly carrying value i.e Gross Block less Accumulated depreciation is considered as deemed cost as on the date of transition i.e 1st April 2015. (Refer additional disclosure Below)

Additional Disclosure

Particulars	As at 1 st April, 2015			
	As at 1 st April, 2015	Accumulated Depreciation	Net Block	IND AS Adjustment
Plant & Equipment				
Transmission	-	-	-	-
Electronic Data Processing & Word Processing Machines	121,545	5,062	116,483	-
Total	121,545	5,062	116,483	-

(Amount in ₹)

Note 5/Capital work in progress

Particulars	(Amount In ₹)				
	As at 1 st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017
Plant & Equipments (including associated civil works)					As at 31st March, 2016
a) Transmission	4,882,182,142	4,031,363,627		7,107,552,681	1,805,993,088
Construction Stores	1,858,861,107		1,041,413,397		817,447,710
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	8,694,541	3,119,685		8,370,307	3,443,919
ii) Expenditure during construction period(net) (Note 22)	639,312,691	540,968,880		939,328,718	240,952,853
	7,389,050,481	4,575,452,192	1,041,413,397	8,055,251,706	2,867,837,570
					7,389,050,481

Note 5/Capital work in progress

Particulars	(Amount In ₹)				
	As at 1 st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017
Plant & Equipments (including associated civil works)					As at 31st March, 2016
a) Transmission	647,686,792	4,234,495,350			0
b) Sub-Station					
Construction Stores	877,073,232	981,787,875			4,882,182,142
Expenditure pending allocation	-	-	-	-	-
i) Survey, investigation, consultancy & supervision Charges	5,071,781	3,622,760			8,694,541
ii) Expenditure during construction period(net) (Note 22)	248,119,320	391,193,371			639,312,691
	1,777,951,125	5,611,099,356			7,389,050,481
					1,777,951,125

Note- The Company has opted for deemed cost exemption as per Ind AS 101 'First Time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly carrying value is considered as deemed cost as on the date of transition i.e 1st April 2015.

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

Particulars	(Amount In Rupees)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Costruction Stores			
Towers	210,293,982	655,714,502	278,430,953
Conductors	531,496,472	772,586,451	
Other Line Materials	75,657,256	430,560,154	598,642,279
TOTAL	817,447,710	1,858,861,107	877,073,232
Construction Stores include:			
i) Material with Contractors			
Towers	189,084,990	655,714,502	278,430,953
Conductors	530,521,398	772,586,451	
Other Line Materials	72,385,247	430,560,154	598,642,279
Total	791,991,635	1,858,861,107	877,073,232

Note 6/Other Intangible assets

Particulars	Cost			Accumulated Amortisation			Net Book Value	
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	As at 31 st March, 2017	As at 31 st arch, 2016
Electronic Data Processing Software	14,733	-	-	-	14,733	5,556	10,466	9,177
Total	14,733	-	-	-	14,733	5,556	10,466	9,177

Note 6/Other Intangible assets

Particulars	Cost			Accumulated Amortisation			Net Book Value	
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2016	As at 1 st April, 2015
Electronic Data Processing Software	-	14,733	-	-	14,733	-	9,177	-
Total	-	14,733	-	-	14,733	-	9,177	-



Note 7/ Deferred tax Assets (Net)

(Amount In ₹)

Particulars	As at 31 st March,2017	As at 31 st March,2016	As at 1 st April,2015
Deferred Tax Liability			
Depreciation difference(Net) (A)	423,246,108	-	-
Deferred Tax Assets			
Income during Construction Period	956	-	-
Others	523,568,135	-	-
Sub-total (B)	523,569,091	-	-
Deferred Tax Asset (Net) (B-A)	100,322,983	-	-

Note 8/ Other non-current Assets

(Amount In ₹)

Particulars	As at 31 st March,2017	As at 31 st March,2016	As at 1 st April,2015
A) Advances for Capital Expenditure			
i) Unsecured			
Against bank guarantees	21,133,851	70,013,005	221,331,288
B) Advances recoverable in cash or in kind or for value to be received			
Balance with Customs Port Trust and other authorities	215,000	-	-
Advance tax and Tax deducted at source	1,002,824	-	-
TOTAL	22,351,675	70,013,005	221,331,288

Note 9/ Cash and Cash Equivalents

(Amount In ₹)

Particulars	As at 31 st March,2017	As at 31 st March,2016	As at 1 st April,2015
Balance with banks-			
-In Current accounts	632,626	724,623	10,640
Total	632,626	724,623	10,640

Note

Details of Specified Bank Notes

(In ₹)

Particulars	Notes	Demonination	Total
Closing Cash in Hand as on 08 th November 2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing Cash in Hand as on 30 th December 2016	Nil	Nil	Nil

Note 10/ Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(Amount In ₹)

Particulars	As at 31 st March,2017	As at 31 st March,2016	As at 1 st April,2015
1) Unbilled Revenue	189,199,058	-	-
2) Interest accrued but not due			
Interest accrued on Others	743,293	-	-
3) Others	1,491	294,207	597,286
Total	189,943,842	294,207	597,286

Note 11/ Other Current Assets

(Unsecured considered good unless otherwise stated)

(Amount In ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Advances recoverable in kind or for value to be received			
Contractors & Suppliers	-	1,567,790	-
Others	28,873		
Total	28,873	1,567,790	-

Note 12/ Equity Share capital

(Amount In ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Equity Share Capital			
Authorised			
215000000 (31 st March 2016 : 65000000, 1 st April 2015 : 65000000) equity shares of ₹ 10/- each at par	2,150,000,000	650,000,000	650,000,000
Issued, subscribed and paid up			
134000000 (31 st March 2016 : 24000000, 1 st April 2015 : 24000000) equity shares of ₹ 10/-each at par fully paid up	1,340,000,000	240,000,000	240,000,000
Total	1,340,000,000	240,000,000	240,000,000

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, 2017		For the year ended 31 st March, 2016	
	No. of Shares	Amount (In ₹)	No. of Shares	Amount (In ₹)
Shares outstanding at the beginning of the year	24,000,000	240,000,000	24,000,000	240,000,000
Shares Issued during the year	110,000,000	1,100,000,000	-	-
Shares outstanding at the end of the year	134,000,000	1,340,000,000	24,000,000	240,000,000

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 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
i) Powergrid Corporation of India Ltd	134,000,000	100.00	24,000,000	100.00	24,000,000	100.00

Note 13/ Other Equity

(Amount In ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Share Application Money pending Allotment	280,000,000		
Reserves & Surplus			
Retained Earnings			
Balance at the beginning of the year	(38,158)	(38,158)	(38,158)
Add : Profit after tax as per Statement of Profit & Loss	(189,484,344)		
Balance at the end of the year	(189,522,502)	(38,158)	(38,158)
TOTAL	90,477,498	(38,158)	(38,158)

Note 14/ Borrowings

(Amount In ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Loan (Unsecured)			
Loan from Power Grid Corporation of India Ltd. (Holding Company)	8,392,481,321	5,355,059,212	913,400,000
TOTAL	8,392,481,321	5,355,059,212	913,400,000



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.

Note 15/ Other Current Financial Liabilities

Particulars	(Amount In ₹)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Interest accrued but not due on borrowings from			
Loan from Power Grid Corporation of India Ltd.	338,890,081	142,842,237	10,510,108
	338,890,081	142,842,237	10,510,108
B) Others			
i) Dues for capital expenditure	194,182,095	1,023,389,403	377,008,108
ii) Deposits/Retention money from contractors and others.	329,011,752	466,623,206	187,648,420
iii) Related parties	316,662,924	208,108,992	257,029,368
iv) Others	4,075,136	192,780	
	843,931,907	1,698,314,381	821,685,896
Total	1,182,821,988	1,841,156,618	832,196,004

Note 16/ Other Current Liabilities

Particulars	(Amount In ₹)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	43,991,700	25,603,772	14,448,976
Total	43,991,700	25,603,772	14,448,976

Note 17/ Revenue from operation

Particulars	(Amount In ₹)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Sales of Services		
Transmission Charges	189,199,058	
Total	189,199,058	-

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges. The Income is accounted proportionately for the partial commissioned line which is subject to the specific order of CERC on petition for the methodology for apportionment of transmission charges.

Note 18/ Other income

Particulars	(Amount In ₹)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Interest from advances to contractors	6,589,679	14,664,581
FERV gain	431,027	
Miscellaneous income	4,247	305,635
	7,024,953	14,970,216
Less: Income transferred to expenditure during construction(Net)-Note 22	4,288,836	14,970,216
TOTAL	2,736,117	-

Note 19/ Finance costs

Particulars	(Amount In ₹)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A) Interest and finance charges on financial liabilities at amortised cost		
Loan from Powergrid Corporation of India Limited (Holding Company)	623,114,798	240,848,299
B) Other Finance charges		
Others	13,525,786	344,924
	636,640,584	241,193,223
Less: Transferred to Expenditure during Construction(Net)-Note 22	414,085,196	241,193,223
TOTAL	222,555,388	-

Note 20/ Depreciation and amortization expense

(Amount In ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	186,723,194	37,740
Amortisation of Intangible assets	4,911	4,942
	186,728,105	42,682
Less: Transferred to Expenditure During Construction(Net)-Note 22	28,721	42,682
TOTAL	186,699,384	-

Note 21/ Other expenses

(Amount In ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Repair & Maintenance		
Buildings	43,269	
Plant & Machinery		
Transmission lines	-	
Others	252,555	-
	252,555	-
System and Market Operation Charges	1,106,355	
Water charges	5,220	
Training & Recruitment Expenses	-	6,013
Legal expenses	1,457,694	276,599
Professional charges (Including TA/DA)	16,845	470,022
Consultancy expenses (Including TA/DA)	180,947,699	154,412,917
Communication expenses	71,060	25,741
Travelling & Conv.exp. (excluding foreign travel)	3,124,597	2,217,743
Tender expenses	21,828	210,351
Payments to Statutory Auditors		
Audit Fees	161,000	125,950
Out of pocket Expenses	92,774	35,522
	253,774	161,472
Advertisement and publicity	96,459	-
Printing and stationery	436,725	186,904
Books Periodicals and Journals	-	9,252
EDP hire and other charges	60,001	43,183
Brokerage & Commission	-	33,419
Rent	179,613	160,000
CERC petition & Other charges	800,000	500,000
Miscellaneous expenses	1,914,109	323,589
Security Expenses	512,395	312,715
Hiring of Vehicle	11,482,256	5,376,063
Rates and taxes	463,107	130,285
Transit Accomodation Expenses	101,394	71,414
Bank charges	284,574	-
	203,631,529	164,927,682
Less: Transferred to Expenditure during Construction (Net)-Note 22	131,143,799	164,927,682
Total	72,487,730	-



Note 22/ Expenditure during Construction (Net)

(Amount In ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Other Expenses		
Repair and maintenance		
Buildings	28,143	
Others	164,267	
	192,410	-
Legal expenses	948,117	276,599
Professional charges	10,956	470,022
Consultancy expenses	117,692,409	154,412,917
Communication expenses	46,218	25,741
Travelling & Conv.exp.	2,032,307	2,223,756
Tender expenses	14,197	210,351
Payment to Auditors	165,061	161,472
Printing and stationery	284,055	186,904
Books,Periodicals and Journals		9,252
EDP hire and other charges	39,026	43,183
Brokerage and commission		33,419
Rent	116,824	160,000
Miscellaneous expenses	1,433,467	803,751
Security Expenses	333,273	312,715
Hiring of Vehicles	7,468,315	5,376,063
Rates and taxes	301,215	150,123
Transit Accomodation Expenses	65,949	71,414
Total(A)	131,143,799	164,927,682
B. Depreciation/Amortisation	28,721	42,682
C. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost Loan from Power Grid Corporation of India Ltd (Holding Company)	405,287,724	240,848,299
b) Other finance charges		
Others	8,797,472	344,924
Total (C)	414,085,196	241,193,223
D. Less: Other Income		
Interest from		
Contractors	4,286,074	14,664,581
Miscellaneous income	2,762	305,635
Total (D)	4,288,836	14,970,216
GRAND TOTAL (A+B+C-D)	540,968,880	391,193,371

23. 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 and balance is in execution as at the end of current financial year 2016-17. In respect of the commissioned 765 kV D/C Line, the associated and incidental project related costs that have been carried under incidental expenses during construction have been allocated to assets proportionately upto the date of commissioning.

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

The Current financial liabilities include a sum of ₹ 1,01,09,939 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.

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

27. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency		Amount in ₹	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Trade Payables/deposits and retention money	USD	482,570	3,46,144	3,15,74,522	2,31,91,663
Amount of contracts remaining to be executed	USD	NIL	39,20,087	NIL	26,26,45,836

28. Auditors Remuneration

S. No.	Particulars	FY 2015-16 Amount In ₹	FY 2014-15 Amount In ₹
1	Statutory Audit Fees	1,40,000	1,10,000
2	Service Tax	21,000	15,950
	Total	1,61,000	1,25,950

29. Recoverability of Excess Acquisition Price paid to PFCCCL

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 ₹ 83,29,067/- , which is observed by the CAG in their IR dated 25-02-2014 as an excess money paid to PFCCCL. During the FY 2016-17 an amount of ₹ 69,65,004/- was refunded by PFCCCL on 09-Jun-2016. The company is pursuing the matter with PFCCCL for recovery of balance excess amount of ₹ 13,64,063/- and the management is of the opinion the same is recoverable.

30. 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. As of now whatever the amount provided towards the Manpower charges in the subsidiary company is reversed and Consultancy charges of ₹ 39,04,72,862 is provided in the Accounts upto 31-Mar-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. 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.

c. 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.

d. Borrowing Cost

The borrowing cost capitalized during the year is ₹ 41,40,85,196 (Previous Year ₹ 24,11,93,223) in the respective carrying amount of Property plant and equipment/ Capital Work in Progress (CWIP) as per Ind AS 23 "Borrowing Cost".

31. (i) Fair value Measurements

(Amount in ₹)

Financial Instruments by category	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & Cash Equivalents		632,626		724,623		10,640
Other Financial Assets		189,943,842		294,207		597,286
Total financial assets		190,576,468		1,018,830		607,926
Financial Liabilities						
Borrowings		8,731,371,402		5,497,901,449		923,910,108
Trade Payables Other Financial Liabilities		843,931,907		1,698,314,381		821,685,896
Total financial liabilities		9,575,303,309		7,196,215,830		1,745,596,004

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.

(Amount in ₹)

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					
Deposits/retention money from contractors and others	-	-	8,881,569,072	-	8,881,569,072
Total financial liabilities	-	-	8,881,569,072	-	8,881,569,072

(Amount in ₹)

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 2016					
Financial Assets					
Total Financial Assets					
Financial Liabilities					
Borrowings			5,419,398,920		5,419,398,920
Total financial liabilities			5,419,398,920		5,419,398,920

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 01 April, 2015					
Financial Assets					
Total Financial Assets					
Financial Liabilities					
Borrowings			913,656,023		913,656,023
Total financial liabilities			913,656,023		913,656,023

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity 113(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

(Amount in ₹)

Particulars	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets						
Total Financial Assets						
Financial Liabilities						
Borrowings	8,731,371,402	8,881,569,072	5,497,901,449	5,419,398,920	923,910,108	913,656,023
Total financial liabilities	8,731,371,402	8,881,569,072	5,497,901,449	5,419,398,920	923,910,108	913,656,023

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.



32. Capital and other commitments

(Amount in ₹)

Particulars	As at	As at	As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17,31,46,466	217,11,86,600	436,98,00,000

Company has approved an estimate of ₹ 214,09,00,000 towards Tree/Crop/Tower land compensation, out of which an amount of ₹ 143,53,97,471 is spent till 31st Mar 2017.

33. Contingent Liabilities

(Amount in ₹)

Particulars	As at	As at	As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
a. Claims against the company not acknowledged as debt	47,64,440	3,09,40,650	-
b. Guarantees given by third parties including banks on behalf of the company (See Note below)	20,00,00,000	65,00,00,000	45,00,00,000

Bank Guarantee of ₹.45,00,00,000 had been given by PGCIL on behalf of the company towards performance of the company on 29/03/2012 to IL&FS Tamil Nadu Power Company Ltd (Generator) valid up to 31/01/2017 as per requirements under CERC Regulations. No request has been received from the beneficiary for the extension of the said BG. During the year, the company has availed LC facility from Kotak Bank for ₹ 20,00,00,000 against corporate gurantee by PGCIL in favour of Bank.

34. Earnings Per share

(a) Basic and Diluted earnings per share attributable to the equity holders of the company-	31 st March, 2017	31 st March, 2016
Basing Earning Per Share	(2.58)	-
Diluted Earning Per Share	(2.56)	-

(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March 2017	31 March, 2016
Earnings attributable to the equity holders of the company	(189,484,344)	-

(c) Weighted average number of shares used as the denominator	31 March 2017 Number of shares	31 March 2016 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	73,471,233	24,000,000
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	74,024,658	24,000,000

35. Related party Transactions

(a) Holding Company

Name of entity	Place of Business/ Country of incorporation/ Relationship	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid Corporation of India Limited	India-Holding Company	100%	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of Business/ Country of incorporation/ Relationship	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid Vizag Transmission Limited	India-Fellow Subsidiary	-	-	-
Powergrid Unchahar Transmission Limited	India-Fellow Subsidiary	-	-	-
Powergrid Kala Amb Transmission Limited	India-Fellow Subsidiary	-	-	-
Powergrid Jabalpur 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	-	-	-
Power System Operation Corporation Limited *	India-Fellow Subsidiary	-	-	-
Grid Conductors Limited	India-Fellow Subsidiary	-	-	-
Medinipur Jeerat Transmission Limited#	India-Fellow Subsidiary	-	-	-

* Ceases to be the subsidiary w.e.f. 2nd January 2017

100% equity in Medinipur Jeerat Transmission Limited acquired from PFC Consulting Limited on 28th March, 2017.

(c) Joint Ventures of Holding Company

Name of entity	Place of Business/ Country of incorporation/ Relationship	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
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	-	-	-
Energy Efficiency Services 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	-	-	-

*ceased to be Joint Venture of holding company w.e.f. 25th April 2016

**(d) Key Managerial Personnel**

Name	Designation	Date of Appointment	Date of Resignation
Shri R.P. Sasmal	Chairman (Part-time)	09.12.2015	Continuing
Shri Ravi P Singh	Director (Part-time)	29.11.2012	Continuing
Shri S.Vaithilingam	Director (Part-time)	04.03.2015	Continuing
Shri D.K.Valecha	Director (Part-time)	04.03.2015	Continuing
Shri R.K. Singh	Director (Part-time)	09.12.2015	Continuing
Shri V K Khare	CEO (Part-time)	26.10.2015	02.09.2016
Shri S Ravindar Kumar	CEO (Part-time)	02.09.2016	Continuing
Shri D. Sudarshan	CFO	18.05.2015	26.07.2016
Shri A.K. Das	CFO	26.07.2016	Continuing
Shri Mrinal Shrivastava	Co. Secy.	18.05.2015	Continuing

(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:

Particulars	(Amount in ₹)		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Services received by the Company			
<u>Holding Company</u>			
Power grid Corporation of India Ltd.			
Consultancy Charges	180,947,699	154,412,917	55,112,246
Interest on loan	623,114,798	240,848,299	11,677,898
Total	804,062,497	395,261,216	66,790,144
Services provided by the Company			
NIL	-	-	-
Total	-	-	-

(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:

Particulars	(Amount in ₹)		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Other payables (Expenses/Consultancy Fee)			
<u>Holding Company</u>			
Power grid Corporation of India Ltd.	316,662,924	208,108,992	257,029,368
Total payables to related parties	316,662,924	208,108,992	257,029,368

(h) Loans to/from related parties

	(Amount in ₹)		
Loans from Holding Company	31st March, 2017	31st March, 2016	1st April, 2015
Power Grid Corporation of India Ltd.	8,392,481,321	5,355,059,212	913,400,000
Total	8,392,481,321	5,355,059,212	913,400,000

(i) Interest Payable on Loan

	(Amount in ₹)		
Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Holding			
Power Grid Corporation of India Ltd.	338,890,081	142,842,237	10,510,108
Total	338,890,081	142,842,237	10,510,108

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, 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 ever since the company has not fully implemented the project the actual ratio as on 31.03.2017 is 86.55 :13.45 is temporary and considered normal.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

b) Dividends

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

37. 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.

38. 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 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 ₹ 6,32,626 (31st March, 2016: ₹ 7,24,623, 1st April, 2015: ₹ 10,640). 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:

	(Amount in ₹)		
Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Cash and cash equivalents	632,626	724,623	10,640
Other current financial assets	189,943,842	294,207	597,286
Total	<u>190,576,468</u>	<u>1,018,830</u>	<u>607,926</u>
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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2017				
Borrowings (including interest outflows)	691,049,206	5,656,649,657	6,850,721,090	13,198,419,953
Other Current financial liabilities	843,931,907	-	-	843,931,907
Other Current liabilities	43,991,700	-	-	43,991,700
Total	1,578,972,813	5,656,649,657	6,850,721,090	14,086,343,560
31 March 2016				
Borrowings (including interest outflows)	448,357,575	3,262,270,260	4,950,918,738	8,661,546,573
Other Current financial liabilities	1,698,314,381	-	-	1,698,314,381
Other Current liabilities	25,603,772	-	-	25,603,772
Total	2,172,275,728	3,262,270,260	4,950,918,738	10,385,464,726
01 April 2015				
Borrowings (including interest outflows)	77,791,620	527,274,099	869,911,387	1,474,977,106
Other Current financial liabilities	821,685,896	-	-	821,685,896
Other Current liabilities	14,448,976	-	-	14,448,976
Total	913,926,492	527,274,099	869,911,387	2,311,111,978

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 pre-requirement of goods and services is given in Note 27.

ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings since all the borrowings are with fixed interest rates.

**39. 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

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016
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	(523,569,091)	-
Increase (increase) in deferred tax liabilities	423,246,108	-
Total deferred tax expense / benefit	(100,322,983)	-
Income tax expense	(100,322,983)	-

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

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016
Profit before income tax expense	-	-
Tax at the Indian tax rate of NIL (FY 2015-2016 – 20.3885%) *	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Deferred tax recognized	(100,322,983)	-
Income Tax expenses	(100,322,983)	-

40. Recent Accounting Pronouncements**Standard issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

41. Transition to IND AS

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Reconciliation of equity as at 31 March 2016 and 1 April 2015

(Amount in ₹)

Particulars	Notes to first time adoption	31 March, 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		239,961,842	239,961,842
Adjustments			
Depreciation on Prior Period capitalisation			-
Total equity as per IND AS		239,961,842	239,961,842

Reconciliation of total comprehensive Income for the year ended 31 March 2016

(Amount in ₹)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	IND AS
Profit after tax as per provision GAAP		-	-	-
Adjustments		-	-	-
Depreciation on Prior Period capitalisation		-	-	-
Profit after tax as per IND AS		-	-	-
Other comprehensive income	IX	-	-	-
Total comprehensive income as per IND AS		-	-	-

Impact of IND AS adoption on the statements of cash flows for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	IND AS
Net cash flow from operating activities		878,141,534	140,709,165	1,018,850,699
Net cash flow from investing activities		(5,319,086,763)	(140,709,165)	(5,459,795,928)
Net cash flow from financing activities		4,441,659,212	-	4,441,659,212
Net increase/(decrease) in cash and cash equivalents		713,983	-	713,983
Cash and cash equivalents as at 01 April, 2015		10,640	-	10,640
Cash and cash equivalents as at 31 March 2016		724,623	-	724,623

Note to First Time adoption

Restatement due to prior period errors

Under Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' material prior period error shall be corrected by retrospective restatement. A Prior period income was recognised in the Financial Year 2016-17 which is restated at 1st April, 2015. This increased the capital work-in-progress as at 1st April, 2015 and 31st March 2016 by ₹ 24,406,683/- and ₹ 140,709,165 respectively.

42. 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 NAINGLI & COChartered Accountants
Firm Regn. No. 002297S**Nainegli Mallinath**Proprietor
Membership No. 025894

For and on behalf of Board of Directors

(R.P. Sasmal)Chairman (Part-Time)
DIN : 02319702**(A.K. Das)**

CFO

(S. Vaithilingam)Director (Part-Time)
DIN : 07107854**(Mrinal Shrivastava)**

Company Secy.

Place: Bangalore
Date: 01st August, 2017Place : Gurgaon
Date : 18th July, 2017



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWERGRID NM TRANSMISSION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of the **POWERGRID NM TRANSMISSION LIMITED ("the Company")**, which comprise Balance Sheet as at **March 31, 2017**, the statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 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. While conducting the 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, issued by the Institute of Chartered Accountants of India, as 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 misstatements.

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 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 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, of the state of affairs of the Company as at March 31, 2017, and its Loss and its cash flows for the year ended on that date.

Other Matter

The Comparative financial information of the company for the opening balance sheet as at 1st April 2015 and for the year ended on 31st March 2016, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our report expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS, which have been audited by us.

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. 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting standards) Amendment Rules, 2016;
 - e) As the Government Companies have been exempted from applicability of the provisions of section 164(2) of the Companies Act, 2013, reporting on disqualification of Director is 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 '2'**;
 - 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 the financial position of the Company as disclosed under Contingent Liabilities Note 35 to the Standalone Ind AS Financial Statements.
 - (ii) There are no material foreseeable losses on long term contracts including derivative contracts requiring Company to make provision, as required under the applicable law or accounting standards; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in Note 8 to these Standalone Ind AS Financial Statements as to the holding of Specified Bank notes on November 08, 2016 and December 30, 2016 as well as dealings in Specified Bank notes during the period from November 08, 2016 and December 30, 2016. Based on our procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank notes, we report that these disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management.
3. In terms of Section 143 (5) of the Companies Act 2013, we give in the **Annexure '3'** a statement on the directions issued by the Comptroller and Auditor General of India.

For Nainegli & Co

Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.

Proprietor
Membership No. 025894

Bangalore, August 01, 2017

**Annexure '1' referred to in our Independent Auditors' Report dated 01-08-2017 Issued to the members of Powergrid NM 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 no immovable properties as at the Balance sheet date and hence clause 3(i)(c) of the Order is not applicable to the company.
- (ii) According to the information and explanations given to us, the company did not 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 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) According to the information and explanations given to us, the provisions relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable at present and accordingly clause 3(vi) of the Order is not applicable to the company.
- (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 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 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) 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 Standalone Ind AS 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 being employees of the holding company have been deputed on full time basis 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) 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 188 of Companies Act, 2013 and the relevant details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards and the Companies Act, 2013.
- (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. Therefore 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 Nainegli & Co

Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.

Proprietor
Membership No. 025894

Bangalore, August 01, 2017

**Annexure '2' referred to in our Independent Auditors' Report dated 01-08-2017****Report on the Internal Financial Controls in terms of 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 31 March 2017 in conjunction with our audit of the Standalone Ind AS 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 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.

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 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.

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 2017, 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 Nainegli & Co

Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.

Proprietor
Membership No. 025894

Bangalore, August 01, 2017

Annexure '3' referred to in our Independent Auditors' Report dated 01-08-2017**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 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 free hold and leasehold land respectively (if not please state the area of free hold/leasehold 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 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 Nainegli & Co

Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.

Proprietor
Membership No. 025894

Bangalore, August 01, 2017

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Powergrid NM Transmission Limited** for the year ended March 31, 2017 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 Nainegli & Co

Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.

Proprietor
Membership No. 025894

Bangalore, August 01, 2017

POWERGRID VEMAGIRI TRANSMISSION LIMITED

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

(CIN: U40300DL20011GOI217975)

ANNUAL REPORT - 2016-17

**POWERGRID VEMAGIRI TRANSMISSION LIMITED
SIXTH ANNUAL GENERAL MEETING**

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the POWERGRID Vemagiri Transmission Limited will be held on Tuesday, 26th September, 2017 at 4:00 p.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Report of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri Ranjan Kumar Srivastava, who retires by rotation and, being eligible, offers himself for reappointment.
3. To fix the remuneration of the Statutory Auditors.

Special business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“Resolved that pursuant to provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri Anil Jain (DIN: 07575312) who was appointed as an Additional Director of the Company as per the provisions of Section 161 of the Companies Act, 2013 read with clause 114 of Articles of Association and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. POWERGRID Vemagiri Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. Pursuant to the Section 139(5) of the Companies Act, the auditors of the Government Company are appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in Annual General Meeting or in such manner as the Company in Annual General Meeting may determine. The members of the Company, in its 5th Annual General Meeting held on 15th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly the Board of Directors had fixed audit fee of ₹ 40,000/- for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. M/s. Prahalad Khandelwal & Co has been appointed by the C&AG as Statutory Auditors of the company for the Financial Year 2017-18.
3. The Members of the Company may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the 2017-18.

By order of the Board
For POWERGRID Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Date: 21st September, 2017

Regd. Office:

POWERGRID Vemagiri Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110 016.



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Shri Anil Jain, was appointed as an Additional Director on the Board of POWERGRID Vemagiri Transmission Limited w.e.f. 04.07.2017 pursuant to the provisions of Section 161 of the Companies Act, 2013; clause 114 of Articles of Association. In terms of the Companies Act, 2013, Shri Anil Jain holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri Anil Jain for the office of Director. Shri Anil Jain, if appointed, will be liable to retire by rotation.

Shri Anil Jain, aged 57 years, is Executive Director- (Corporate Planning & Cost Engineering) of Power Grid Corporation of India Limited and nominated as Director in your Company w.e.f. 04.07.2017.

None of the Directors of the Company or their relatives except Shri Anil Jain interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Anil Jain, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution for your approval.

By order of the Board
For POWERGRID Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Date: 21st September, 2017

Directors' Report 2016-17

To,

Dear Members,

I on behalf of the Board of Directors present the Sixth Annual Report of POWERGRID Vemagiri Transmission Limited on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2017.

POWERGRID Vemagiri Transmission Limited (PVTL) was acquired /taken over by 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 Project Company Limited (the Bid Process Co-ordinate). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C is to traverse the state of Andhra Pradesh. CERC vide orders dt. 09.05.2013 and 27.09.2013 *inter alia* stated that the project cannot be executed in its presented form and directed the CTU (POWERGRID) to return the bank guarantees of identified long term transmission customers and also directed the long term transmission customers to return the contract performance guarantee given by POWERGRID. CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines is neither required as an evacuation line nor as a system strengthening line and no useful purpose will be served by adopting the transmission charges and granting licence to the petitioner for the said transmission line. Further, the Order also detailed the methodology for refund of acquisition price and expenditure incurred. Presently, the matter on refund is being reviewed by CERC and also before the Appellate Tribunal.

Financial Performance

As on 31st March, 2017, the Company had a loss of ₹ 60,653/- on account of Finance Cost and Administration & other expenses.

Share Capital

As on March 31, 2017, 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's Project cannot be executed in its presented form vide CERC orders dt. 09.05.2013 and 27.09.2013, 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.

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.

Director's 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

As on 31st March, 2017, the Board comprised of 3 Directors Shri Ranjan Kumar Srivastava, Shri Upendra Pande and Shri V. Sekhar. Shri B. Mishra resigned from his directorship of the Company w.e.f. 31.07.2016.

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, 2017, five (5) Board meetings were held on 23.05.2016, 01.08.2016, 09.08.2016, 03.10.2016 and 18.01.2017. The details of number of meetings attended by each Director during the financial year 2016-17 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2016-17	No. of Board Meetings attendance during 2016-17
Shri B. Mishra*	Chairman	1	1
Shri R. K. Srivastava#	Chairman	5	5
Shri Upendra Pande	Director	4	4
Shri V. Sekhar	Director	5	2

*Resigned w.e.f. 31.07.2016

elected as Chairman w.e.f. 01.08.2016

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.

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.

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 2016-17.

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

Comptroller and Auditor General vide letter dated 25th July, 2017 has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2017 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. Copy of letter dated 25th July, 2017 received from C&AG is placed at **Annexure-III** to this report.

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

Place: New Delhi
Date: 21st September, 2017

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

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.

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

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Place : New Delhi
Date : 21st September, 2017



POWERGRID VEMAGIRI 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	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	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 COMPNAY	100%	2(87) (ii)

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	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

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	
e) 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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	-

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			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	49994	99.988	-	49994	99.988	-	100
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.002	-	01	0.002	-	100
3.	Shri D. K. Valecha jointly with POWERGRID	01	0.002	-	01	0.002	-	100
4.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.002	-	100
5.	Shri B. Mishra* jointly with POWERGRID	01	0.002	-	-	-	-	100
6.	Shri Upendra Pande jointly with POWERGRID	-	-	-	01	0.002	-	100
7.	Ms. Seema Gupta jointly with POWERGRID	01	0.002	-	01	0.002	-	100
8.	Shri A. K. Singhal jointly with POWERGRID	01	0.002	-	01	0.002	-	100
	Total	50000	100	-	50000	100	0	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
1.	Shri B. Mishra*				
	At the beginning of the year	01	.002	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

*cessed to be director w.e.f. 31.07.2016

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
2.	Shri Upendra Pande				
	At the beginning of the year	0	0	01	0.012
	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	0.012	0	0

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

Sr. No.	For each of Top ten shareholders	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	-	-	-	-
	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.	For each of Directors and KMP	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	-	-	-	-
1	Shri B. Mishra, Director*				
	At the beginning of the year	01	0.002	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):	31.07.2016			
	At the End of the year	0	0	0	0
2	Shri R. K. Srivastava, 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
3	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
4	Shri Upendra Pande, 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):	01.08.2016			
	At the End of the year	01	0.002	01	0.002

*ceased to be director w.e.f. 31.07.2016

#appointed w.e.f. 01.08.2016



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 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:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors	-	-	-	-	-
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors	-	-	-	-	-
	• 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 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 Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Place : New Delhi
Date : 21st September, 2017

Annexure-III to Directors' Report**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 2017**

The preparation of financial statements of Powergrid Vemagiri Transmission Limited for the year ended 31 March 2017 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 04 July 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Vemagiri Transmission Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

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



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

Place: Hyderabad
Dated: 25 July 2017

**Balance Sheet** as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
Current assets				
Financial Assets		17,033	18,665	19,295
Cash and cash equivalents	4	17,033	18,665	19,295
Total Assets		17,033	18,665	19,295
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	5	500,000	500,000	500,000
(b) Other Equity	6	(194,325,861)	(194,265,208)	(194,213,078)
		(193,825,861)	(193,765,208)	(193,713,078)
Liabilities				
Non-current liabilities				
Current liabilities				
(a) Financial liabilities				
Other current financial liabilities	7	193,838,894	193,779,873	193,728,373
(b) Other current liabilities	8	4,000	4,000	4,000
		193,842,894	193,783,873	193,732,373
Total Equity and Liabilities		17,033	18,665	19,295

The accompanying notes (1 to 24) form an integral part of financial statements

As per our report of even date
For PRAHALAD KHANDLWAL & Co.
 ICAI Firm Regn. No. 0027145
Vinod Bajaj
 Partner
 Membership No. 205343

For and on behalf of Board of Directors

R. K. Srivastava
 Chairman

Upendra Pandey
 Director

Place: Secunderabad
 Date : 4th July 2017

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations		-	-
EXPENSES			
Finance costs	9	1,632	630
Other expenses	10	59,021	51,500
II Total expenses		60,653	52,130
III Profit/(loss) before tax (I- II)		(60,653)	(52,130)
IV Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
V Profit/(loss) for the period (III-IV)		(60,653)	(52,130)
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income for the period (V+VI)		(60,653)	(52,130)
VIII Earnings per equity share:			
(1) Basic	20	(1.21)	(1.04)
(2) Diluted		(1.21)	(1.04)

The accompanying notes (1 to 24) 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

Place: Secunderabad
 Date : 4th July 2017

For and on behalf of Board of Directors

R. K. Srivastava
 Chairman

Upendra Pandey
 Director

**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

PARTICULARS	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) as per Profit & Loss A/c	(60,653)	(52,130)
Adjustment For Increase/Decrease in:		
Other current Liabilities	59,021	51,500
Cash generated from operations	(1,632)	(630)
B. CASH FLOW FROM INVESTING ACTIVITIES		
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 INCREASE/(DECREASE) IN CASH FLOW (A+B+C)	(1,632)	(630)
E. CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	18,665	19,295
F. CASH & CASH EQUIVALENT AT THE END OF THE YEAR	17,033	18,665

As per our report of even date

For **PRAHALAD KHANDELWAL & Co.**

ICAI Firm Regn. No. 0027145

Vinod Bajaj

Partner

Membership No. 205343

Place: Secunderabad

Date : 4th July 2017

For and on behalf of Board of Directors

R. K. Srivastava

Chairman

Upendra Pandey

Director

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

	(Amount in ₹)
As at 1st April, 2015	500,000
Changes in equity share capital	
As at 31st March ,2016	500,000
Changes in equity share capital	
As at 31st March ,2017	500,000

B. Other Equity

(Amount in ₹)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Other Comprehensive Income		Total
			Capital Reserve	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	Other items of Other Comprehensive Income	
Balance at 1st April, 2015									(194,213,078)	-		(194,213,078)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(52,130)	-	-	(52,130)
Balance at 31st March, 2016	-	-	-	-	-	-	-	-	(194,265,208)	-	-	(194,265,208)
Balance at 1st April, 2016	-	-	-	-	-	-	-	-	(194,265,208)	-	-	(194,265,208)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(60,653)	-	-	(60,653)
Balance at 31st March, 2017	-	-	-	-	-	-	-	-	(194,325,861)	-	-	(194,325,861)

As per our report of even date
For PRAHALAD KHANDELWAL & Co.
 ICAI Firm Regn. No. 0027145

Vinod Bajaj
 Partner
 Membership No. 205343

Place: Secunderabad
 Date : 4th July 2017

For and on behalf of Board of Directors

R. K. Srivastava
 Chairman

Upendra Pandey
 Director



Notes to Financial Statements

1. Corporate & 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, 2017 were approved for issue by the Board of Directors as on 4th July 2017.

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.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified thereunder and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer note 23 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of Measurement

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

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupee 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

Measurement on transition to INDAS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First Time adoption of Indian Accounting standard'.

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, 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.

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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

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.

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

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

Residual value of above assets is considered as Nil.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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 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.

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

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

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.

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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.

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 group 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. 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 profit or loss as other income or finance cost.

Offsetting of financial instruments

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

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

borrowing cost. Other exchange difference 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.

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.

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

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.

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.

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 mega



insurance policy) as at the end of the year by appropriating current year profit to mitigate future losses which may arise from un-insured risks. The same 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 Flow'.

3. Critical Estimates and Judgements

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

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

NOTE : 4 CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks:			
- In Current accounts	17,033	18,665	19,295
Total	17,033	18,665	19,295

Details of Specified Bank Notes

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	-	-
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount Deposited in Bank	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Note : 5 EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Equity Share Capital	500000.00	500000.00	500000.00
Authorised			
50000 equity shares of ₹ 10/- each at par (31 st March, 2016 50,000 equity shares of ₹ 10/- each at par) (1 st April, 2015, 50,000 equity shares of ₹ 10/- each at par)			
Issued & subscribed :-	500000.00	500000.00	500000.00
50,000 equity shares of ₹ 10/-each at par fully paid up (31 st March, 2016 50,000 equity shares of ₹ 10/- each at par) (1 st April, 2015, 50,000 equity shares of ₹ 10/- each at par)			
Total	500000.00	500000.00	500000.00

Further Notes:

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

(Amount in ₹)

Particulars	For the year ended		For the year ended	
	31 st March, 2017		31 st March, 2016	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

- 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

(Amount in ₹)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Powergrid Corporation of India Limited	50,000	100	50,000	100	50,000	100

Note : 6 OTHER EQUITY

(Amount in ₹)

Particulars	As at		As at	As at
	31 st March, 2017	31 st March, 2016	31 st March, 2016	1 st April, 2015
Reserves and Surplus				
Retained Earnings				
As per last balance sheet	(194,265,208)	(194,213,078)	(194,213,078)	(194,213,078)
Add: Additions				
Profit after tax as per Statement of Profit & Loss	(60,653)	(52,130)	(52,130)	(52,130)
Less: Appropriations				
Closing Balance	(194,325,861)	(194,265,208)	(194,265,208)	(194,213,078)
TOTAL	(194,325,861)	(194,265,208)	(194,265,208)	(194,213,078)

**Note 7/Other Current Financial Liability**

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Related Party (M/s Power Grid Corporation of India Ltd.,)	193,796,894	193,736,572	193,685,928
Others	42,000	43,301	42,445
Total	193,838,894	193,779,873	193,728,373

Further Notes:

Others represents Audit Fees payable

Note 8/Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	4,000	4,000	4,000
Total	4,000	4,000	4,000

Note 9/Finance costs

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Other finance charges	1,632	630
TOTAL	1,632	630

Note 10/Other expenses

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Professional charges(Including TA/DA)	11,621	5,700
Payments to Statutory Auditors		
Audit Fees	46,000	45,800
Printing and stationery	1,400	-
Total	59,021	51,500

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:

(Amount in ₹)

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, thought the company 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

(Amount in ₹)

Financial instruments by category	31 March 2017		31 March 2016		01 April 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & Cash Equivalents		17,033		18,665		19,295
Total financial assets	-	17,033	-	18,665	-	19,295
Financial Liabilities						
Other Financial Liabilities		1938,38,893		1937,79,873		1937,28,373
Total financial liabilities	-	1938,38,893	-	1937,79,873	-	1937,28,373

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. Since there is nothing Non-Current as at 31st Mar 2017, 31st Mar 2016 and 31st Mar 2015, 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

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31- Mar- 16	01-Apr-15
Powergrid Corporation of India Limited	India- Holding Company	100%	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31- Mar- 16	01-Apr-15
Powergrid Vizag Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid NM Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Unchahar Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Kala Amb Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Warora Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Parli Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Southern Interconnector Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Power System Operation Corporation Limited *	India-Fellow Subsidiary	NA	NA	NA
Grid Conductors Limited	India-Fellow Subsidiary	NA	NA	NA
Medinipur Jeerat Transmission Limited ##	India-Fellow Subsidiary	NA	NA	NA
Powergrid Jabalpur Transmission Limited	India-Fellow Subsidiary	NA	NA	NA

*ceases to be subsidiary w.e.f. 2nd January, 2017

##100% equity in Medinipur Jeerat Transmission Limited acquired from PFC Consulting Limited on 28th March, 2017.

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31- Mar- 17	31- Mar- 16	01-Apr-15
Powerlinks Transmission Limited	India-JV of Holding	NA	NA	NA
Torrent Power Grid Limited	India-JV of Holding	NA	NA	NA
Jaypee Powergrid Limited	India-JV of Holding	NA	NA	NA
Parbati Koldam Transmission Company Limited	India-JV of Holding	NA	NA	NA
Teestavalley Power Transmission Limited	India-JV of Holding	NA	NA	NA
North East Transmission Company Limited	India-JV of Holding	NA	NA	NA
National High Power Test Laboratory Private Limited	India-JV of Holding	NA	NA	NA
Energy Efficiency Services Limited*	India-JV of Holding	NA	NA	NA

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31- Mar- 17	31- Mar- 16	01-Apr-15
Bihar Grid Company Limited	India-JV of Holding	NA	NA	NA
Kalinga Vidyut Prasaran Nigam Private Limited	India-JV of Holding	NA	NA	NA
Cross Border Power Transmission Company Limited	India-JV of Holding	NA	NA	NA
RINL Powergrid TLT Private Limited	India-JV of Holding	NA	NA	NA
Power Transmission Company Nepal Ltd	Nepal* JV of Holding	NA	NA	NA

*ceases to be Joint venture of Holding Company w.e.f. 25th April 2016

(d) Key Management Personnel

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri R K Srivastava	Chairman (Part-time)	08-Dec-2015	Continuing
2	Shri Upendra Pandey	Director (Part-time)	01-Aug-2016	Continuing
3	Shri V. Sekhar	Director (Part-time)	18-Apr-2012	Continuing

(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:

(Amount in Rupees)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Amount payable (purchases of goods and services)			
Holding Company			
Power grid Corporation of India Ltd.	19,37,96,894	19,37,36,572	19,36,85,928
Total payables to related parties	19,37,96,894	19,37,36,572	19,36,85,928

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

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL	NIL

19. Contingent Liabilities and contingent assets

Contingent Liabilities

No contingent liability exists as on 31st Mar 2017. ₹ NIL as on 31st Mar 2016 and ₹ NIL as on 31st Mar 2015.

20. Earnings per share

(Amount in Rupees)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2017	31 March, 2016
From Continuing Operations	(1.21)	(1.04)
Total basic & diluted earnings per share attributable to the equity holders of the company	(1.21)	(1.04)



(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2017	31 March, 2016
Earnings attributable to the equity holders of the company	(60653)	(52130)
Total Earnings attributable to the equity holders of the company	(60653)	(52130)

(c) Weighted average number of shares used as the denominator	31 March, 2017 No. of shares	31 March, 2016 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. Recent Accounting Pronouncements:**Standard issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

23. First time adoption of IND AS**Transition to IND AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

There is no impact of Ind-AS on total equity as on 1st April 2015 and 31st March 2016 and on total comprehensive income as on 31st March 2016 so the total equity and total comprehensive income as per GAAP and Ind-As remains same.

24. 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 and on behalf of Board of Directors

For PRAHALAD KHANDELWAL & Co.

ICAI Firm Regn. No. 0027145

Vinod Bajaj

Partner

Membership No. 205343

R. K. Srivastava

Chairman

Upendra Pandey

Director

Place: Secunderabad

Date : 4th July 2017

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, 2017, 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.

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 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, 2017, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the



year ended 31st March 2015 dated 10th May 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 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: Secunderabad
Date: 04th July, 2017

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 exists 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 exists 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 fixed assets exists 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, 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?	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.

	Clauses of CARO Report, 2016	Auditor's Comment
(vii)	<p>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</p>	<p>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 ₹ 500.00 Crores during the current year</p>
(viii)	<p>Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</p> <p>(a)</p> <ul style="list-style-type: none"> 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. <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>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, 2017 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 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 2016-2017. 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>

	Clauses of CARO Report, 2016	Auditor's Comment
(xi)	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;	According to the information and explanations given to us, no fraud on or by the Company has 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.

**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, 2017.****Specific Areas Examined During The Course Of Audit Of Annual Accounts Of Powergrid Nm Transmission Limited For The Year Ended 31st March 2017, 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.	Not applicable as the company does not possess any land 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.
	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 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.
	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from Govt. or other authorities.	There are no inventories lying with the third parties. There are also no assets 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.
	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	The Company has not held / dealt with specified Bank Notes (SBN) during the said period.	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.

For PRAHALAD KHANDELWAL & Co

Chartered Accountants

Firm Reg No: 002714S

Vinod Bajaj

(Partner)

Membership No.:205343

Place: Secunderabad

Date: 04th July, 2017

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, 2017.

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, 2017 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.

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 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, 2017, 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 Reg No: 002714S

Vinod Bajaj

(Partner)

Membership No.:205343

Place: Secunderabad

Date: 04th July, 2017

POWERGRID UNCHAHAR TRANSMISSION LIMITED

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

(CIN: U40300DL2012GOI246341)

ANNUAL REPORT - 2016-17



POWERGRID UNCHAHAR TRANSMISSION LIMITED

CIN: U40300DL2012GOI246341

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

Tel: 011-26560121.Fax:011-26601081

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of POWERGRID Unchahar Transmission Limited will be held on Tuesday, 26th September, 2017 at 3:30 p.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31st March, 2017, the reports of Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri S. Vaithilingam (DIN: 07107854), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS:

4. To appoint Shri Atul Trivedi (DIN 07926574) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Atul Trivedi (DIN 07926574), who was appointed as an Additional Director by the Board of Directors with effect from 15th September, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

By order of the Board
For POWERGRID Unchahar Transmission Limited

Sd/-
Shwetank Kumar
(Company Secretary)

Place:

Date: 15th September, 2017

Registered Office: POWERGRID Unchahar Transmission Limited Company,
i.e. B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016

NOTES:

1. A statement pursuant to section 102(1) of the Companies Act, 2013, in respect of the special business to be transacted at the meeting under item no. 4 is annexed hereto.
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
4. POWERGRID Unchahar Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 ("the Act"). Pursuant to the section 139(5) of the Act, the auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 4th Annual General Meeting held on 29th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the financial year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 50,000/- (Rupees Fifty Thousand Only) plus service tax as applicable and local travel expenses and other incidental out of pocket expenses.

Further, the members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the year 2017-18, after taking into consideration the volume of work and prevailing inflation.

Annexure to Notice

EXPLANATORY STATEMENT

Item No. 4

To appoint Shri Atul Trivedi (DIN 07926574) as a Director liable to retire by rotation

Shri Atul Trivedi, was appointed as an Additional Director on the Board of Unchahar Transmission Limited, w.e.f 15.09.2017 pursuant to the provisions of Section 161 of the Companies Act, 2013; clause 116 of Articles of Association. In terms of the provisions of the Companies Act, 2013, Shri Atul Trivedi holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri Atul Trivedi for the office of Director. Shri Atul Trivedi, if appointed, will be liable to retire by rotation.

Shri Atul Trivedi, aged 56 years, is Executive Director (NRTS-III) of Power Grid Corporation of India Limited and appointed as an Additional Director in the Company w.e.f. 15.09.2017.

Shri Atul Trivedi holds Nil equity share in the Company.

None of the Directors of the Company or their relatives except Shri Atul Trivedi is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Atul Trivedi, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution for your approval.

By order of the Board
For POWERGRID Unchahar Transmission Limited

Sd/-
Shwetank Kumar
(Company Secretary)

Place: New Delhi

Date: 15th September, 2017



DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors the Fifth 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, 2017.

POWERGRID Unchahar Transmission Limited (PUTL) was acquired /taken over by 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. Consequent to such acquisition, PUTL became wholly owned subsidiary of POWERGRID. The Transmission System comprising 400 kV D/C line is to traverse the state of Uttar Pradesh. The Company has been granted transmission license by CERC in July, 2014 and the adoption of transmission charges was also notified by CERC in July, 2014. The Project has been commissioned on 01.10.2016.

Financial Performance

As on 31st March, 2017, the Company has started commercial operations. The loss of ₹ 567,726/- incurred during the year.

Share Capital

The Authorized Share Capital and Paid up Share Capital as on 31st March, 2017 of the Company were ₹ 14 Crore and ₹ 12,96,10,670/-, respectively.

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.

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.

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, 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

As on 31st March, 2017, the Board comprised four Directors viz. Shri Ravi P. Singh, Shri D.K. Valecha, Shri S. Vaithilingam and Shri Ajoy Kumar Sinha. Shri Prabhakar Singh ceased to be Director of the Company w.e.f. 11.08.2016. Further, Shri Ajoy Kumar Sinha has also 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) has been nominated by POWERGRID as Director on the Board of the Company.

In accordance with the provisions of the Companies Act, 2013, Shri S. Vaithilingam 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.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, thirteen meetings of Board of Directors were held on 04.04.2016, 24.05.2016, 02.06.2016, 05.07.2016, 25.07.2016, 16.08.2016, 05.09.2016, 17.10.2016, 28.11.2016, 23.12.2016, 24.01.2017, 27.02.2017 and 28.03.2017. The details of number of meetings attended by each Director during the financial year 2016-17 are as under:

Name of Director	Designation	Board Meeting attendance during 2016-17
Shri Ravi P. Singh	Chairman	13
Shri D. K. Valecha	Director	12
Shri S. Vaithilingam	Director	13
Shri Prabhakar Singh*	Director	02
Shri Ajoy Kumar Sinha#	Director	02

* ceased to be director w.e.f. 11.08.2016

appointed w.e.f. 16.08.2016

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 your 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.

Statutory Auditors

M/s. Batra Sapra & Co., Chartered Accountants, New Delhi, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

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

Comptroller and Auditor General vide letter dated 25th August, 2017 has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2017 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. Copy of letter dated 25th August, 2017 received from C&AG is placed at **Annexure-III** to this report.

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
For POWERGRID Unchahar Transmission Limited

Ravi P. Singh
Chairman
DIN: 05240974

Place: New Delhi
Date: 15th September, 2017

**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 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	Power Grid Corporation of India Limited (POWERGRID) [holding company on and from 24.03.2014]
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 upto an amount of ₹ 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 service 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
For POWERGRID Unchahar Transmission Limited**Ravi P. Singh**
Chairman
DIN: 05240974Place: New Delhi
Date: 15th September, 2017

POWERGRID UNCHAHAH 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	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	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 24.04.2015.

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	49994	49994	100	0	12961061	12961061	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	50000	50000	100	0	12961067	12961067	100	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-

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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	12961067	12961067	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			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	49994	99.988	-	12961061	100	-	99.61%
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.012	-	01	0.00	-	-
3.	Shri Ranjan Kumar Srivastava jointly with POWERGRID#	01	0.012	-	01	0.00	-	-
4.	Shri Ravi P. Singh jointly with POWERGRID	01	0.012	-	01	0.00	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID	01	0.012	-	01	0.00	-	-
6.	Shri D .K. Valecha jointly with POWERGRID	01	0.002	-	01	0.00	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.00	-	-
	Total	50000	100	-	12961067	100	-	-

#transferred from Sh. R. T. Agarwal to Sh. Ranjan Kumar Srivastava on 24.05.2016

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

Sr. No.	Power Grid Corporation of India Limited	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	49994	99.8	49994	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):				
	(i) On 02.06.2016	30,00,000 shares		3049994	
	(ii) On 04.10.2016	1597350 Shares		4647344	
	(iii) On 27.12.2016	4999992 shares		9647336	
	(iv) On 24.01.2017	3313725 shares		12961061	
	At the End of the year	12961061	100	12961061	100



Sr. No.	Power Grid Corporation of India Limited	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
2.	Shri R. T. Agarwal				
	At the beginning of the year	01*	0.12	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):				
	On 13.05.2016		0		
	At the End of the year	0	0	0	0
3.	Shri Ranjan Kumar Srivastava				
	At the beginning of the year	0	0	01*	0.012
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	On 13.05.2016		01	01	0.012
	At the End of the year	01	0.00	01	0.00

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

Sr. No.	For each of Top ten shareholders	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	-	-	-	-
	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.	For each of Directors and KMP	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				
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

Sr. No.	For each of Directors and KMP	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
2	Shri D. K. Valecha, Director				
	At the beginning of the year	01*	0.000	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	Shri Ajoy Kumar Sinha#, 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

#appointed w.e.f.16.08.2016

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		544,365,228		544,365,228
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	544,365,228	-	544,365,228
Indebtedness at the end 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	-	2,542,2181	-	2,542,2181
Total (i+ii+iii)	-	569,787,409	-	569,787,409



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
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors • 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 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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of
For POWERGRID Unchahar Transmission Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Place: New Delhi
Date: 15th September, 2017



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 2017

The preparation of financial statements of Powergrid Unchahar Transmission Limited for the year ended 31 March 2017 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 11 August 2017.

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 2017. 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 auditors' report.

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

**(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

Place: New Delhi
Dated: 25th August, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant And Equipment	4	707157989	0	0
(b) Capital Work-In-Progress	5	0	425202743	29973164
(c) Deferred tax Asset	6	280424	0	0
(d) Other Non-Current Assets	7	5800000	0	0
		713238413	425202743	29973164
Current assets				
(a) Financial Assets				
(i) Cash And Cash Equivalents	8	71631817	41952	19150
(ii) Other Current Financial Assets	9	12707452	0	0
		84339269	41952	19150
Total Assets		797577682	425244695	29992314
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	129610670	500000	500000
(b) Other Equity	11	-591577	-23851	-23851
		129019093	476149	476149
Current liabilities				
(a) Financial Liabilities				
Borrowings	12	544365228	261192266	0
		544365228	261192266	0
CURRENT LIABILITIES				
(a) Financial Liabilities				
Other Current Financial Liability	13	120474200	162035616	29516165
(b) Other Current Liabilities				
	14	3719161	1540664	0
		124193361	163576280	29516165
Total Liabilities		797577682	425244695	29992314

The accompanying notes (1 to 33) form an integral part of financial statements

In terms of our report of even date

For Batra Sapra & Co

Chartered Accountants

ICAI Firm Registration No. 000103N

Amrit Lal Batra

Partner

Membership No. 016929

Ravi P Singh

Director & Chairman (Part-time)

DIN:- 05240974

A K Shukla

CFO

For and on behalf of Board**S. Vaithilingam**

Director

DIN: 07107854

Shwetank Kumar

Company Secretary

Place: New Delhi

Date: 27th June, 2017

**Statement of Profit and Loss** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Income			
I Revenue From Operations	15	40827814	0
II Other Income		0	0
III Total Income (I+II)		40827814	0
IV EXPENSES			
Finance costs	16	19616256	0
Depreciation and amortization expenses	17	19121241	0
Other expenses	18	2938467	0
Total expenses (IV)		41675964	0
V Profit & Loss before Tax (III-IV)		-848150	0
VI Tax expense:			
Deferred tax		-280424	0
VII Profit/Loss for the period (V-VI)		-567726	0
VIII Other Comprehensive Income		0	0
IX Total comprehensive income for the period (VII+VIII)		-567726	0
Earning Per Equity Share (Par Value ₹ 10/- each)			
Basic & Diluted		-0.10	0.00

The accompanying notes (1 to 33) form an integral part of financial statements

In terms of our report of even date

For Batra Sapra & Co

Chartered Accountants

ICAI Firm Registration No. 000103N

For and on behalf of Board

Amrit Lal Batra
Partner
Membership No. 016929

Ravi P Singh
Director & Chairman (Part-time)
DIN:- 05240974

S. Vaithilingam
Director
DIN: 07107854

A K Shukla
CFO

Shwetank Kumar
Company Secretary

Place: New Delhi
Date: 27th June, 2017

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Cash Flow from Operating Activities:		
Net profit/Loss before Tax	(848150)	-
add: Depreciation	19121241	-
add: interest expense	19616256	-
Operating Profit/Loss before Working Capital Changes	<u>37889347</u>	<u>-</u>
A. Adjustments for Increase/Decrease in:		
- Other Current Financial Assets	(12707452)	-
- Other Current Liabilities	(39382919)	134060115
-Other Non-Current Assets-Advance Tax paid	(5800000)	-
Cash Generated from Operations	<u>(57890371)</u>	<u>134060115</u>
(B) Cash Flow from Investing Activities:		
Property Plant and Equipment and Capital Work in Progress	(301076487)	(395229579)
Net Cash Used in investing activity	<u>(301076487)</u>	<u>(395229579)</u>
(C) Cash Flow from Financing Activities:		
- Equity Share Capital	129110670	-
- Loans obtained during the year	283172962	261192266
- Interest Expense	(19616256)	-
Net Cash from Financing Activities	<u>392667376</u>	<u>261192266</u>
Net Increase/ Decrease in Cash Flow	<u>71589865</u>	<u>22802</u>
(D) Cash and Cash Equivalents (Opening Balance)	41952	19150
(E) Net change in Cash and cash Equivalents	71589865	22802
(F) Cash and Cash Equivalents (Closing Balance)	<u>71631817</u>	<u>41952</u>

In terms of our report of even date

For Batra Sapra & Co

Chartered Accountants

ICAI Firm Registration No. 000103N

For and on behalf of Board

Amrit Lal Batra

Partner

Membership No. 016929

Ravi P Singh

Director & Chairman (Part-time)

DIN:- 05240974

S. Vaithilingam

Director

DIN: 07107854

A K Shukla

CFO

Shwetank Kumar

Company Secretary

Place: New Delhi

Date: 27th June, 2017



Statement of Changes in Equity for the Year ended 31st March, 2017

A. Equity Share Capital

(Amount in ₹)

Particulars	Amount
As at 1st April, 2015	500000
Changes in equity share capital	0
As at 31st March, 2016	500000
Changes in equity share capital	129110670
As at 31st March, 2017	129610670

B. Other Equity

(Amount in ₹)

	Reserves and Surplus									Other Comprehensive Income		Total
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	Other items of Other Comprehensive Income	
Balance at 1 st April, 2015	-	-	-	-	-	-	-	-	-23851	-	-	-23851
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 st March, 2016	-	-	-	-	-	-	-	-	-23851	-	-	-23851
Balance at 1 st April, 2016	-	-	-	-	-	-	-	-	-23851	-	-	-23851
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-567726	-	-	-567726
Balance at 31 st March, 2017	-	-	-	-	-	-	-	-	-591577	-	-	-591577

In terms of our report of even date

For Batra Sapra & Co

Chartered Accountants

ICAI Firm Registration No. 000103N

Amrit Lal Batra

Partner

Membership No. 016929

Ravi P Singh

Director & Chairman (Part-time)

DIN:- 05240974

A K Shukla

CFO

For and on behalf of Board

S. Vaithilingam

Director

DIN: 07107854

Shwetank Kumar

Company Secretary

Place: New Delhi
Date: 27th June, 2017

Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Unchahar 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. It is principally engaged in implementation, operation and maintenance of Transmission Lines & Sub-Stations.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 27th June, 2017.

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.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer note no. 33 for explanation of how the transition from previous GAAP to Ind AS affected the Company's financial position.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value.(Refer note no 2.9 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 rupee 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

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP 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 out at cost less accumulated depreciation/amortization and accumulated 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.

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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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 Depreciation / Amortisation

Depreciation/Amortization on the assets related to transmission business is provided on straight line method following the rates and methodology notified by CERC for the purpose of recovery of tariff except for assets specified in following paragraph.

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

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

Residual value of above assets is considered as nil.

Mobile phones are charged off in the year of purchase.

Depreciation/ Amortization 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.

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 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.

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

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

2.5 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

2.6 Impairment of non-financial assets, other than inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.7 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.

2.8 Inventories

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

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

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

Spares which does not meet the recognition criteria as Property, Plant and Equipment are valued as inventory.

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

2.9 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances etc.

Classification

The Company classifies its financial assets 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 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 in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- 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 effective rate of interest.

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.

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 realise the assets and settle the liabilities simultaneously.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 profit or loss as other income or finance cost.

2.10 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.

2.11 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.

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

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.

2.12 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.

2.13 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.

2.14 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 mega insurance policy as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks. The same is shown as "Self insurance reserve" under 'Other equity'.

2.15 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.

2.16 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.

2.17 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the relevant accounting standard.

3. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment of applying the company's accounting policies.

Critical Estimate and Judgments are required in 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.

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

Note 4/Property, Plant and Equipment

(Amount in ₹)

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Plant & Equipment											
Transmission Line	0	726279230	0	0	726279230	0	19121241	0	0	19121241	707157989
Total	0	726279230	0	0	726279230	0	19121241	0	0	19121241	707157989
Previous Year Total	0	0	0	0	0	0	0	0	0	0	0

Note 5/Capital work in progress

(Amount in ₹)

Particulars	As at 1 st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017	As at 31 st March 2016
Plant & Equipments (including associated civil works)						0.00
Transmission	338610728	296717541	0	635328269	0	338610728
Expenditure during construction period(net)	39327089	51623872	0	90950961	0	39327089
Total	377937817	348341413	0	726279230	0	377937817
Construction Stores (Net of Provision)	47264926	125657359	172922285	0	0	47264926
Total	<u>425202743</u>	<u>473998772</u>	<u>172922285</u>	<u>726279230</u>	<u>0</u>	<u>425202743</u>

Note 5/Capital work in progress

(Amount in ₹)

Particulars	As at 1 st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2016	As at 1 st April 2015
Transmission	0	338610728	0	0	338610728	0
Expenditure during construction period(net)	29973164	9353925	0	0	39327089	29973164
Total	29973164	347964653	0	0	377937817	29973164
Construction Stores (Net of Provision)	0	47264926	0	0	47264926	0
Total	<u>29973164</u>	<u>395229579</u>	<u>0</u>	<u>0</u>	<u>425202743</u>	<u>29973164</u>

Note:

The company has opted for deemed cost exemption as per IND AS 101 'First-time Adoption of Indian Accounting Standards Para D7AA. Accordingly carrying value is considered as Deemed Cost as on the date of transition i.e. 1st April 2015.

Note 5/Capital work-in-progress (Contd.)**(Details of Construction stores) (At Cost)**

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Costruction Stores			
Conductors	0	47264926	0
TOTAL	0	47264926	0
Material with Contractors			
Conductors	0	47264926	0
Total	<u>0</u>	<u>47264926</u>	<u>0</u>

Note 6/Deferred tax Asset

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deferred Tax Asset			
Depreciation difference on Property Plant and Equipment	280424	0	0
Total	<u>280424</u>	<u>0</u>	<u>0</u>

**Movement in Deferred Tax asset**

Particulars	Depreciation Difference in Property Plant and Equipment
AS at 1st April 2015	-
Charged/ (Credited) to Profit or Loss	-
Other Comprehensive Income	-
AS at 31st March 2016	-
Charged/ (Credited) to Profit or Loss	280,424
Other Comprehensive Income	-
AS at 31st March 2017	280,424

Note 7/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances recoverable in cash or in kind or for value to be received			
Advance tax and Tax deducted at source	5800000	0	0
TOTAL	5800000	0	0

Note 8/Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Balance with banks-			
-In Current accounts	71631817	41952	19150
Total	71631817	41952	19150

Note: Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash on hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash on hand as on 30.12.2016	NIL	NIL	NIL

Note 9/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Unbilled Revenue*	12707452	0	0
Total	12707452	0	0

Further notes:

*Unbilled revenue represent transmission charges for the month of March in the financial year amounting to ₹ 12707452 (Previous year Nil) billed to beneficiaries in the month of April of subsequent financial year.

Note 9/Equity Share capital

(Amount in ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Equity Share Capital			
Authorised			
14000000 (Previous year 5000000) equity share of ₹ 10/- each	140000000	50000000	500000
Issued, subscribed and paid up			
12961067 (Previous Year 50000) equity shares of ₹ 10/-each at par fully paid up	129610670	500000	500000
Total	129610670	500000	500000

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		For the year ended	
	31 st March, 2017		31 st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	50000	500000	50000	500000
Shares Issued during the year	12911067	129110670	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12961067	129610670	50000	500000

- 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 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited	12961067	100%	50000	100%	50000	100%

*out of 12961067 Equity Shares ,06 Equity Shares are held by nominees of POWERGRID jointly with POWERGRID

Note 11/Other Equity

(Amount in ₹)

Particulars	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Retained Earnings			
Balance at the beginning of the year	-23851	-23851	-23851
Add : Net Profit for the period	-567726	0	0
Closing Balance	-591577	-23851	-23851

Note 12/ Borrowings

(Amount in ₹)

Description	As at		As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Unsecured			
Loan From Powergrid	544365228	261192266	0
Total	544365228	261192266	0

Note:

The inter corporate loan is provided by the holding company at the rate which varies from 7.20% to 8.40% for a period of 10 to 20 year repayable after a moratorium of 3 to 5 years.

**Note 13/Other Current Financial Liability**

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Interest accrued but not due on Loan from POWERGRID	25422181	6342521	0
Others			
i) Dues for capital expenditure	6173613	89756600	0
ii) Payable to POWERGRID (Holding Co.)	35205498	4179896	29453749
iii) Deposits/Retention money from contractors and others	53661672	61693113	0
iv) Others	11236	63486	62416
Total	120474200	162035616	29516165

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 20.

Note 14/Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	3719161	1540664	0
Total	3719161	1540664	0

Note 15/Revenue from operations

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Sale of Services		
Transmission Charges	40827814	0
Total	40827814	0

Note 16/Finance costs

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Interest and finance charges on financial liabilities at amortised cost		
Interest on Loan from POWERGRID (Holding Co.)	39340294	7047245
Less: Transferred to Expenditure during Construction (Net)-Note 19	19724038	7047245
Total	19616256	0

Note 17/Depreciation and amortization expense

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	19121241	0
Less: Transferred to Expenditure During Construction(Net)-Note 19	0	0
Total	19121241	0

Note 18/Other expenses

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Repair & Maintenance		
Plant & Machinery		
Transmission lines	1314985	
Professional charges(Including TA/DA)	31899258	1483175
Bank Charges		894
Tender Expenses		263191
Payments to Statutory Auditors		
Audit Fees	57750	58070
Printing and stationery	33137	
CERC petition & Other charges	1500000	500000
Miscellaneous expenses	326	1350
Rates and taxes	15974	
Other charges	16871	
	34838301	2306680
Less: Transferred to Expenditure during Construction(Net)-Note 19		2306680
Total	2938467	0

Note 19/ Expenditure during Construction (Net)

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
CERC petition & Other charges		500000
Professional charges	31899258	1483175
Tender expenses		263191
Payment to Auditors	250	58070
Miscellaneous expenses	326	1350
Bank Charges		894
Total (A)	31899834	2306680
B. Depreciation/Amortisation	0	0
C. Finance Costs		
Interest on Loan from POWERGRID	19724038	7047245
Total (C)	19724038	7047245
GRAND TOTAL (A+B+C)	51623872	9353925

20. 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:

Amount in ₹

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



21. There are no employees on the payroll of the company.
22. Figures have been regrouped/reclassified wherever necessary
23. 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 on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.
24. Borrowing cost capitalised during the year is ₹ 1,97,24,038 (previous year ₹ 70,47,245) as per Ind AS 23- "Borrowing Costs".

25. Related party Transactions

a) List of Holding Co.

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest		
		31-Mar-2017	31- Mar- 16	01-Apr-15
Powergrid Corporation of India Limited	India	100%	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-Mar-2017	31-Mar-16	01-Apr-15
Powergrid Vizag Transmission Limited	India	NA	NA	NA
Powergrid NM Transmission Limited	India	NA	NA	NA
Powergrid Kala Amb Transmission Limited	India	NA	NA	NA
Powergrid Jabalpur Transmission Limited	India	NA	NA	NA
Powergrid Parli Transmission Limited	India	NA	NA	NA
Powergrid Southern Interconnector Transmission Limited	India	NA	NA	NA
Powergrid Vemagiri Transmission Limited	India	NA	NA	NA
Power System Operation Corporation Limited *	India	NA	NA	NA
Grid Conductors Limited	India	NA	NA	NA
Medinipur Jeerat Transmission Limited #	India	NA	NA	NA

*Ceases to be subsidiary w.e.f 2nd January, 2017

(c) List of Fellow Joint Ventures (JVs of Holding Co.)

Name of entity	Place of Business /Country of Incorporation	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Powerlinks Transmission Limited	India	NA	NA	NA
Torrent Power Grid Limited	India	NA	NA	NA
Jaypee Powergrid Limited	India	NA	NA	NA
Parbati Koldam Transmission Company Limited	India	NA	NA	NA
Teestavalley Power Transmission Limited	India	NA	NA	NA
North East Transmission Company Limited	India	NA	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA	NA
Energy Efficiency Services Limited*	India	NA	NA	NA
Bihar Grid Company Limited	India	NA	NA	NA

Name of entity	Place of Business /Country of Incorporation	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Kalinga Vidyut Prasaran Nigam Private Limited	India	NA	NA	NA
Cross Border Power Transmission Company Limited	India	NA	NA	NA
RINL Powergrid TLT Private Limited	India	NA	NA	NA
Power Transmission Company Nepal Ltd	Nepal	NA	NA	NA

*ceased to be joint venture w.e.f 25th April 2016

(d) List of Key Management Personnel

Name	Designation
Shri. Ravi P Singh	Chairman & Director
Shri. D. K. Valecha	Director
Shri. A. K. Sinha	Director
Shri. S. Vaithilingam	Director
Sri A. K. Rai	CEO
Sri A. K. Shukla	CFO
Sri Shwetank Kumar	Company Secretary

(e) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Services Received by the Company			
<u>Holding Co.</u>			
Power Grid Corporation of India Limited	3,52,05,498	41, 79,896	2,94,53,749

(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

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Trade payables (purchases of goods and services)			
<u>Holding Company</u>			
Powergrid Corporation of India Ltd.	3,52,05,498	41, 79,896	2,94,53,749

(g) Investments received during the year during the year (Equity)

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Payables			
Power Grid Corporation of India Limited	12,91,10,670	NIL	5,00,000

(h) Loans from related parties

(Amount in ₹)

Loans from Holding Company	31 March, 2017	31 March, 2016	1 April, 2015
Power Grid Corporation of India Ltd.	54,43,65,228	26,11,92,266	0.00



(i) Interest on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Power Grid Corporation of India Ltd.	3,93,40,294	70,47,245

(j) Interest accrued on Loan

(Amount in Rupees)

Loans from Holding Company	31 March, 2017	31 March, 2016	1 April, 2015
Power Grid Corporation of India Ltd.	2,54,22,181	63,42,521	0

26. Capital and other Commitments

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	48,59,00,000	NIL.

27. Contingent Liabilities and contingent assets

Contingent Liabilities

There are no contingent liabilities as on 31st March 2017 (Nil as on 31st March 2016 & Nil as on 1st April 2015)

28. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2017	31 March, 2016
From Continuing Operations including movement in Regulatory deferral balances	(0.10)	-
From Continuing Operations excluding movement in Regulatory deferral balances	(0.10)	-
From Discontinued Operations	-	-
Total basic diluted earnings per share attributable to the equity holders of the company	(0.10)	-

(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2017	31 March, 2016
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	(5,67,726)	-
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	(5,67,726)	-
From Discontinued Operations	-	-
Total Earnings attributable to the equity holders of the company	(5,67,726)	-

(c) Weighted average number of shares used as the denominator	31 March, 2017 No. of shares	31 March, 2016 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	56,96,849	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	56,96,849	50,000

29. Segment Reporting

The Board of Director is the company's chief operating decision maker who monitors the segments. One reportable segment have been identified on the basis of product & service viz. Power transmission network.

30. 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 Debt-equity ratio is 81:19

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

b) Dividends

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

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.

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.

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 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 ₹ 71631817 (31 March 2016: ₹ 41952, 1 April, 2015: ₹ 19150). The cash and cash equivalents are held with public 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:

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Cash and cash equivalents	71631817	41952	19150
Other current financial assets	12707452	Nil	Nil
Total	84339269	41952	19150
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	Nil	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**

In respect of trade receivables customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

With regard to transmission segment, 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.

- (c) **Ageing analysis of trade receivables**

There are no trade receivables as on reporting date, therefore ageing analysis of the trade receivables 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 table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2017				
Borrowings (including interest outflows)	44647196	333239810	503573546	881460552
Other financial liabilities	124193361	Nil	Nil	124193361
Total				
31 March 2016				
Borrowings (including interest outflows)	21863359	143676265	264663030	430202654
Other financial liabilities	163576280	Nil	Nil	163576280
Total				
01 April 2015				
Borrowings (including interest outflows)	Nil	Nil	Nil	Nil
Other financial liabilities	29516165	Nil	Nil	29516165
Total				

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 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.

32. Fair Value Measurement

Financial Instruments by category	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & cash Equivalents		71631817		41952		19150
Other Current Financial Assets		12707452		-		-
Total Financial assets		84339269		41952		19150
Financial Liabilities						
Borrowings		544365228		261192266		-
Other Current Financial Liabilities		120474200		162035617		-
Total financial liabilities	-	664839428	-	423227883	-	-

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.

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31 st March, 2017				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	-	544365228	-	544365228
Total financial liabilities	-	544365228	-	544365228

(Amount in Rupees)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31 st March, 2016				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	-	261192266	-	261192266
Total financial liabilities	-	261192266	-	261192266

(Amount in Rupees)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 1 st April, 2015				
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 bonds which are traded in the stock exchanges, valued using the closing price as at the reporting period.

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

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

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

The fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

Fair value of financial assets and liabilities measured at amortized cost:

Particulars	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-
Financial Liabilities						
Borrowings	544365228	580014372	261192266	263594690	-	-
Total financial liabilities	544365228	580014372	261192266	263594690	-	-

The carrying amounts of 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 that are measured at fair value, the carrying amounts are equal to the fair values

33. First time adoption of IND AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has to adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or ind AS).

There is no impact of Ind AS on the opening balance sheet as on 1st April 2015 and 31st March 2016 so there is no change in the Other Equity as Per Ind AS and previous GAAP.

In terms of our report of even date

For Batra Sapra & Co

Chartered Accountants

ICAI Firm Registration No. 000103N

Amrit Lal Batra

Partner

Membership No. 016929

Ravi P Singh

Director & Chairman (Part-time)

DIN:- 05240974

A K Shukla

CFO

S. Vaithilingam

Director

DIN: 07107854

Shwetank Kumar

Company Secretary

Place: New Delhi

Date: 27th June, 2017



INDEPENDENT AUDITORS' REPORT

To the Members of **Powergrid Unchahar Transmission Limited**

Report on the Comparative 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, 2017, 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, 2017, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 21st July 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this 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 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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;
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

For Batra Sapra & Company

Chartered Accountants
FRN : 000103N

CA Amrit Lal Batra

Membership No. 016929

Place: New Delhi
Date: 27th June, 2017

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, 2017, 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 fixed assets have been physically verified by management during the year and 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;	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;	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 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 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 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 (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 ₹ 500.00 Crores during the current year

	Clauses of CARO Report, 2016	Auditor's Comment
(vii)	<p>Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</p> <p>i) Provident fund;</p> <p>ii) Employees' state insurance;</p> <p>iii) Income-tax;</p> <p>iv) Sales-tax;</p> <p>v) Service tax;</p> <p>vi) Duty of customs;</p> <p>vii) Duty of excise;</p> <p>viii) Value Added Tax (VAT);</p> <p>ix) Cess; and</p> <p>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>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, 2017 for a period of more than six months from the date they became payable.</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 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).	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.
(viii)	<p>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.</p> <p>(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.</p>	According to information and explanations given to us, there is no such 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;	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
(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;	According to the information and explanations given to us, no fraud on or by the Company 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;	The company has not provided for any Managerial Remuneration for the year 2015-2016. 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



	Clauses of CARO Report, 2016	Auditor's Comment
(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., 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 Batra Sapra & Company

Chartered Accountants
FRN : 000103N

CA Amrit Lal Batra

Membership No. 016929

Place: New Delhi

Date: 27th June, 2017

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 2017

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
4	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	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.	The Company has provided requisite disclosures in the financial statement as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. (Annexure 4)	Nil

For Batra Sapra & Company

Chartered Accountants

CA Amrit Lal Batra

Membership No. 016929

Firm Regn. No. 000103N

Place: New Delhi

Date: 27th June, 2017**Annexure 4**

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

(Amount in ₹)

	Specified Bank Notes	Other Denomination Notes	Total
Closing cash on hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash on hand as on 30.12.2016	NIL	NIL	NIL



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, 2017

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, 2017 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, 2017, 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 **Batra Sapra & Company**

Chartered Accountants
FRN : 000103N

CA **Amrit Lal Batra**

Membership No. 016929

Place: New Delhi

Date: 27-Jun-2017

**POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION
SYSTEM LIMITED**

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

(CIN: U40300DL2011GOI217975)

ANNUAL REPORT - 2016-17



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED
SECOND ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Second Annual General Meeting of the POWERGRID Southern Interconnector Transmission System Limited will be held on Tuesday, 26th September, 2017 at 4:30 p.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Report of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri D. K. Valecha, who retires by rotation and, being eligible, offers himself for reappointment;
3. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. POWERGRID Southern Interconnector Transmission System Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. Pursuant to the Section 139(5) of the Companies Act, the auditors of the Government Company are appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in Annual General Meeting or in such manner as the Company in Annual General Meeting may determine. The members of the Company, in its 1st Annual General Meeting held on 15th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly the Board of Directors had fixed audit fee of ₹ 30,000/- for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. M/s. D Siva Nageswara Rao & Co has been appointed by the C&AG as Statutory Auditors of the company for the Financial Year 2017-18.
3. The Members of the Company may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the 2017-18.

By order of the Board
For POWERGRID Southern Interconnector
Transmission System Limited

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

Date: 18th September, 2017

Regd. Office:

POWERGRID Southern Interconnector Transmission System Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110 016.

Directors' Report

To,

Dear Members,

I on behalf of the Board of Directors present the Second Annual Report of POWERGRID Southern Interconnector Transmission System Limited on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2017.

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) was acquired by POWERGRID on 4th December, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-coordinator) for "Strengthening of Transmission System Beyond Vemagiri" Project. Consequent to such acquisition, PSITSL became wholly owned subsidiary of POWERGRID. The transmission project comprises 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 400 kV bay extensions at two existing Substations in the State of Andhra Pradesh. The Company has been granted transmission license by CERC in March, 2016. Awards for Transmission Lines have been placed in March 2016.

Financial Performance

For the year ended 31st March, 2017, the Company had a loss of ₹ 1,99,250/- on account of Finance Cost and Administration & other expenses.

Share Capital

As on 31st March, 2017, the Company had Authorized Capital of ₹ 1 Crore 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.

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.

Director's 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

At present Shri Ravi P. Singh, Shri D. K. Valecha, Shri R. K. Srivastava, and Shri V. Sekhar are on the Board of the Company.

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, 2017, Six (6) Board meetings were held on 23.05.2016, 09.08.2016, 03.10.2016, 23.12.2016, 18.01.2017 and 08.03.2017. The detail of number of meetings attended by each Director during the financial year 2016-17 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2016-17	No. of Board Meetings attendance during 2016-17
Shri Ravi P. Singh	Chairman	6	6
Shri D. K. Valecha	Director	6	6
Shri R. K. Srivastava	Director	6	6
Shri V. Sekhar	Director	6	2

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.

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.

Statutory Auditors

M/s. Jhalani & Co., Chartered Accountants, New Delhi was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

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

Comptroller and Auditor General vide letter dated 3rd August, 2017 has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2017 and as such have no comments to make under Section 143(6) (b) of the Companies Act, 2013. Copy of letter dated 3rd August, 2017 received from C&AG is placed at **Annexure-III** to this report.

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

Place: New Delhi
Date: 18th September, 2017

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 and nature of relationship	-
b	Nature of contracts / arrangements / transactions	-
c	Duration of the contracts / arrangements / transactions	-
d	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e	Justifications for entering into such contracts or arrangements or transactions	-
f	Date(s) 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 material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details
a	Name(s) of the related party and nature of relationship	Power Grid Corporation of India Limited Holding Company of POWERGRID Southern Interconnector Transmission System Limited
b	Nature of contracts / arrangements/ transactions	Part (A) POWERGRID to provide security (ies) / guarantee(s) in connection with loan (s) an/ or any form of debt including ECBs and / or to provide inter corporate loan (s) on cost to cost basis, upto an amount of ₹ 2924 Crore (Rupees Two Thousand nine hundred twenty four Crore only) to the Company. 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 service tax as applicable.
c	Duration of the contracts / arrangements / transactions	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 transactions including the value, if any	Refer (b)
e	Date(s) of approval by the Board, if any	27 th January 2016
f	Amount paid as advances, if any:	₹ 342.56 Cr

For and on behalf of
**POWERGRID Southern Interconnector
Transmission System Limited**

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Place : New Delhi
Date : 18th September, 2017



POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM 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	U40300DL2011GOI217975
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	L40101DL1989GOI038121	HOLDING COMPNAY	100%	2(87) (ii)

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	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-

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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	-

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			% 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 shares	
1.	Power Grid Corporation of India Limited	49994	99.988	-	--	-	-	-
2.	Shri Ravi P. Singh, jointly with POWERGRID	01	0.002	-	-	-	-	-
3.	Shri D. K. Valecha jointly with POWERGRID	01	0.002	-	-	-	-	-
4.	Shri R. K. Srivastava jointly with POWERGRID	01	0.002	-	-	-	-	-
5.	Shri R. P. Sasmal jointly with POWERGRID	01	0.002	-	-	-	-	-
6.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	-	-	-	-
7.	Shri R. N. Singh jointly with POWERGRID	01	0.002	-	-	-	-	-
	Total	50000	100	-	50000	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				
	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				

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.	For each of Directors and KMP	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	-	-	-	-
1	Shri Ravi P. Singh, 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):	-			
	At the End of the year	01	0.002	01	0.002
2	Shri D. K. Valecha, 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):	-			
	At the End of the year	0	0	01	0.002
3	Shri R. K. Srivastava, 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):	-			
	At the End of the year	0	0	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				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	3,425,640,155	-	3,425,640,155
- Addition				
- Reduction				
Net Change	-	3,425,640,155	-	3,425,640,155
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount		3,425,640,155		3,425,640,155
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		86,995,539		86,995,539
Total (i+ii+iii)	-	3,512,635,694	-	3,512,635,694

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:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors	-	-	-	-	-
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors	-	-	-	-	-
	• 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 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**

Place : New Delhi
Date : 18th September, 2017

Annexure-III to Directors' Report**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 2017**

The preparation of financial statements of Powergrid Southern Interconnector Transmission System Limited for the year ended 31 March 2017 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 1395) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent and it 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 12 July 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Southern Interconnector Transmission System Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act.

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



**(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

Place: New Delhi
Dated: 03 August, 2017

**Balance Sheet** as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	91,826,459	-
(b) Capital work-in-progress	5	4,867,591,268	362,512,822
(c) Other non-current assets	6	1,134,979	-
		4,960,552,706	362,512,822
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	7	18,356,029	1,019,925
(ii) Other current financial assets	8	3,477,479	-
(b) Other current assets	9	832,984,192	-
		854,817,700	1,019,925
Total Assets		5,815,370,406	363,532,747
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	500,000	500,000
(b) Other Equity	11	(232,244)	(32,994)
		267,756	467,006
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	3,425,640,155	156,400,000
(ii) Other non-current financial liability	13	822,731,132	-
		4,248,371,287	156,400,000
Current liabilities			
(a) Financial Liabilities			
Other current financial liability	14	1,529,536,397	206,591,635
(b) Other current liabilities	15	37,194,966	10,111
(c) Provisions	16	-	63,995
		1,566,731,363	206,665,741
Total Equity and Liabilities		5,815,370,406	363,532,747

The accompanying notes (1 to 34) form an integral part of financial statements

As per our report of even date**For Jhalani & Co.**Chartered Accountants
ICAI FRN: 003675N**Tanvi Gupta**Partner
Membership No: 529233

Place : Gurgaon

Date : 12th July, 2017**For and on behalf of the Board of Directors****Ravi P Singh**

Chairman

R. K. Srivastava

Director

M S Rangacharyulu

CFO

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I Revenue From Operations		-	-
II Other Income	17	-	-
III Total Income (I+II)		-	-
EXPENSES			
Finance costs	18	-	-
Depreciation and amortization expense	19	-	-
Other expenses	20	199,250	32,994
IV Total expenses (IV)		199,250	32,994
V Profit/(loss) before tax (III- IV)		(199,250)	(32,994)
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit/(loss) for the period (V-VI)		(199,250)	(32,994)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period (VII+VIII)		(199,250)	(32,994)
X Earnings per equity share:			
(1) Basic		(3.99)	(0.66)
(2) Diluted		(3.99)	(0.66)

The accompanying notes (1 to 34) form an integral part of financial statements

As per our report of even date

For Jhalani & Co.
Chartered Accountants
ICAI FRN: 003675N

Tanvi Gupta
Partner
Membership No: 529233

Place : Gurgaon
Date : 12th July, 2017

For and on behalf of the Board of Directors

Ravi P Singh
Chairman

R. K. Srivastava
Director

M S Rangacharyulu
CFO

**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the Year ended 31-Mar-2017	For the Year ended 31-Mar-2016
A. Cash Flows from Operating Activities:		
Net profit/Loss as per Statement of Profit and Loss	(199,250)	(32,994)
Operating Profit/Loss before Working Capital Changes	(199,250)	(32,994)
Adjustments for Increase/Decrease in:		
- Other Current Liabilities	1,360,065,622	206,665,741
- Short Term Provisions	-	-
- Other Current Assets & Current Liabilities	(836,461,672)	
Net Cash from operating activities (A)	523,404,700	206,632,747
B. Cash Flows from Investing Activities:		
- Property Plant & Equipment and Capital Work in Progress	(4,596,904,905)	(362,512,822)
- Advances for capital expenditure	(1,134,979)	
Net Cash from investing activities (B)	(4,598,039,884)	(362,512,822)
C. Cash Flows from Financing Activities:		
- Share Capital	-	500,000
- Other Long Term Liabilities	4,091,971,287	156,400,000
Net Cash from financing activities (C)	4,091,971,287	156,900,000
D. Net Change in cash and cash equivalents (A) + (B) + (C)	17,336,104	1,019,925
E. Cash and Cash Equivalents (Opening balance)	1,019,925	-
F. Cash and Cash Equivalents (Closing balance)	18,356,029	1,019,925

As per our report of even date**For Jhalani & Co.**Chartered Accountants
ICAI FRN: 003675N**Tanvi Gupta**Partner
Membership No: 529233

Place : Gurgaon

Date : 12th July, 2017**For and on behalf of the Board of Directors****Ravi P Singh**
Chairman**R. K. Srivastava**
Director**M S Rangacharyulu**
CFO

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

(Amount in ₹)

As at 1st April, 2015	
Changes in equity share capital	500,000
As at 31st March, 2016	500,000
Changes in equity share capital	-
As at 31st March, 2017	500,000

B. Other Equity

(Amount in ₹)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Other Comprehensive Income		Total
			Capital Reserve	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	Other items of Other Comprehensive Income	
Balance at 1st April, 2015										-		-
Total Comprehensive Income for the year							-	-	(32,994)			(32,994)
Balance at 31st March, 2016	-	-	-	-	-	-	-	-	(32,994)	-	-	(32,994)
Total Comprehensive Income for the year									(199,250)			(199,250)
Balance at 31st March, 2017	-	-	-	-	-	-	-	-	(232,244)	-	-	(232,244)

Refer Note 11 for movement and nature of Reserve and Surplus.

As per our report of even date

For Jhalani & Co.
Chartered Accountants
ICAI FRN: 003675N

Tanvi Gupta
Partner
Membership No: 529233

Place : Gurgaon
Date : 12th July, 2017

For and on behalf of the Board of Directors

Ravi P Singh
Chairman

R. K. Srivastava
Director

M S Rangacharyulu
CFO



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 Power Grid Corporation of India Limited on 04.12.2015.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 4th July 2017.

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.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 32 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of Measurement

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

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupees, 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

Measurement on transition to IND AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First Time adoption of Indian Accounting standard'.

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, 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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

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

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.



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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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

Depreciation on 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.

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

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

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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 and Other financial assets.

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

- o The Company has transferred the rights to receive cash flows from the financial asset or
- o 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 effective rate of interest.

**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. 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 profit or loss as other income or finance cost.

Offsetting of financial instruments

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

2.12 Foreign Currency Translation**(a) Functional and presentation currency**

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

(b) Transactions and balances

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

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.

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 entered between the Transmission Service Provider and the Long Term Transmission Customers.

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.

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.

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 mega insurance policy) as at the end of the year by appropriating current year profit to mitigate future losses which may arise from un-insured risks. The same 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 Flow'.

3. Critical estimates and judgements

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

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



Note 4/Property, Plant and Equipment

(Amount in ₹)

Particulars	Cost				Accumulated depreciation				Net Book Value			
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2017	As at 31 st March, 2016
Land												
Freehold	-	89,994,400	-	-	89,994,400	-	-	-	-	-	89,994,400	-
Plant & Equipment												
Substation	-	268,600	-	-	268,600	-	14,182	-	-	14,182	254,418	-
Furniture Fixtures	-	1,387,187	-	-	1,387,187	-	87,809	-	-	87,809	1,299,378	-
Office equipment	-	297,068	-	-	297,068	-	18,804	-	-	18,804	278,264	-
Total	-	91,947,255	-	-	91,947,255	-	120,795	-	-	120,795	91,826,459	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-

Note 5/Capital work in progress

(Amount in ₹)

Particulars	As at 1 st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017
Plant & Equipments (including associated civil works)					
Transmission	-	2,081,458,747			2,081,458,747
Construction Stores (Net of Provision)	-	2,330,660,460	-		2,330,660,460
Expenditure pending allocation					
Expenditure during construction period (net) (Note 21)	362,512,822	92,959,239			455,472,061
Total	362,512,822	4,505,078,446	-	-	4,867,591,268

Particulars	As at 1 st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2016
Expenditure pending allocation					
Expenditure during construction period (net) (Note 21)		362,512,822			362,512,822
		362,512,822	-	-	362,512,822

Note: The company has opted for deemed cost exemption as per IND AS 101 'First-time Adoption of Indian Accounting Standards Para D7AA. Accordingly carrying value is considered as Deemed Cost as on the date of transition i.e. 1st April 2015.

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

(At cost)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Construction Stores		
Towers	537,152,497	
Conductors	1,599,163,637	
Other Line Materials	194,063,389	
Sub-Station Equipments	280,937	
TOTAL	2,330,660,460	-
Construction Stores include:		
Material with Contractors		
Towers	537,152,497	
Conductors	1,599,163,637	
Other Line Materials	194,063,389	
Sub-Station Equipments	280,937	
Total	2,330,660,460	-

Note 6/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
A) Advances for Capital Expenditure		
Unsecured		
Against bank guarantees	978,782	
B) Security Deposits	44,000	
C) Advances recoverable in cash or in kind or for value to be received		
Balance with Customs Port Trust and other authorities	112,197	-
TOTAL	1,134,979	-

Note 7/Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance with banks-		
-In Current accounts	18,356,029	1,019,925
Total	18,356,029	1,019,925

Details of Specified Bank Notes

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	Nil	Nil	Nil
Add: Permitted Receipts	Nil	Nil	Nil
Less: Permitted Payments	Nil	Nil	Nil
Less: Amount Deposited in Bank	Nil	Nil	Nil
Closing Cash in hand as on 30.12.2016	NIL	NIL	NIL

Note 8/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Others	3,477,479	
Total	3,477,479	-

Further Notes:

Others includes advance given to SEB for construction of Power supply line.

Note 9/Other current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
1) Advances recoverable in kind or for value to be received		
Contractors & Suppliers	786,182,122	
2) Others	46,802,070	
Total	832,984,192	-

Further Notes:

Others includes advance given to Land



Note 10/Equity Share capital

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Equity Share Capital		
Authorised		
10,00,000/- equity shares of ₹ 10/- each at par (31 st March, 2016 10,00,000 equity shares of ₹ 10/- each at par)	10,000,000	10,000,000
Issued, subscribed and paid up		
50,000 equity shares of ₹ 10/- each at par fully paid up (31 st March, 2016 50,000 equity shares of ₹ 10/- each at par)	500,000	500,000
Total	500,000	500,000

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, 2017		For the year ended 31 st March, 2016	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Shares outstanding at the beginning of the year	50000	500000.00	50000	500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50000	500000	50000	500,000

- 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, 2017		As at 31 st March, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Powergrid Corporation of India Limited	50000	100.00	50000	100.00

Note 11/Other Equity

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Reserves and Surplus		
Retained Earnings		
As per last balance sheet	(32,994)	
Add: Additions		
Profit after tax as per Statement of Profit & Loss	(199,250)	(32,994)
Closing Balance	(232,244)	(32,994)
TOTAL	(232,244)	(32,994)

Note 12/ Borrowings

(Amount in ₹)

Description	As at 31 st March, 2017	As at 31 st March, 2016
Term Loan From Others-Unsecured		
Loan from Powergrid	3,425,640,155	156,400,000
TOTAL	3,425,640,155	156,400,000

Further notes:

The Inter Corporate Loan is provided by the Holding Company on cost to cost [Interest rate varying from 7.20% to 8.50%] and back to back servicing basis and the said loan is repayable over a period of 4 to 20 years after a moratorium period of 3 to 5 years.

Note 13/Other Non-current financial liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Other liabilities		
Deposits /Retention money from contractors and others.	822,731,132	-
Total	822,731,132	-

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 25 (d)

Note 14/Other Current Financial Liability

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
A) Interest accrued but not due on borrowings from		
Interest on loan from Powergrid	86,995,539	-
	-	-
	86,995,539	-
B) Others		
i) Dues for capital expenditure	1,205,901,345	206,591,635
ii) Deposits/Retention money from contractors and others.	236,639,513	-
	1,442,540,858	206,591,635
Total	1,529,536,397	206,591,635

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 25(d).

Note 15/Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Statutory dues	37,194,966	10,111
Total	37,194,966	10,111

Note 16/ Provisions

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Provision Others		
As per last balance sheet	63,995	-
Additions/(adjustments) during the year	(63,995)	63,995
Closing Balance	-	63,995



Note 17/Other income

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Interest income from financial assets at amortised cost		
Interest from advances to contractors	52,536,011	-
Others		
Fair Value gain on initial recognition of Financial liability	110,067,044	-
Miscellaneous income	1,333,140	-
	163,936,195	-
Less: Income transferred to expenditure during construction(Net)-Note 21	163,936,195	-
TOTAL	-	-

Note 18/Finance costs

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Interest and finance charges on financial liabilities at amortised cost		
Interest on Loan from Powergrid	106,118,867	71,106
Unwinding of discount on financial liabilities	8,226,181	
	114,345,048	71,106
Other Finance charges		
Others		9,471,033
	114,345,048	9,542,139
Less: Transferred to Expenditure during Construction(Net)-Note 21	114,345,048	9,542,139
TOTAL	-	-

Note 19/Depreciation and amortization expense

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	120,795	
Less: Transferred to Expenditure During Construction(Net) - Note 21	120,795	-
Charged To Statement of Profit & Loss	-	-

Note 20/Other expenses

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Repair & Maintenance		
Plant & Machinery		
Transmission lines	(65,922)	
Others	1,075,000	
	1,009,078	-
Legal expenses	643,224	
Professional charges (Including TA/DA)	12,687	171,756,200
Consultancy expenses (Including TA/DA)	137,072,038	183,945,899
Travelling & Conv. exp. (excluding foreign travel)	59,820	146,716
Tender expenses	-	
Less: Sale of tenders	-	3,000,000
	-	(3,000,000)

(Amount in ₹)

Particulars		For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Payments to Statutory Auditors			
Audit Fees	46,000	46,000	68,700
Advertisement and publicity		3,047,672	
Printing and stationery		2,150	
CERC petition & Other charges		524,658	
Miscellaneous expenses			10,813
Hiring of Vehicle			42,355
Rates and taxes		209,252	
Other charges		2,262	-
Preliminary Expenses		-	32,994
		142,628,841	353,003,677
Less: Transferred to Expenditure during Construction(Net)-Note 21		142,429,591	352,970,683
Total		199,250	32,994

Note 21/ Expenditure during Construction (Net)

(Amount in ₹)

Particulars		For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Other Expenses			
Repair and maintenance			
Others	1,009,078		
		1,009,078	-
Legal expenses		643,224	
Professional charges		12,687	171,756,200
Consultancy expenses		137,072,038	183,945,899
Communication expenses			
Travelling & Conv. exp. (Including Foreign Travel)		59,820	146,716
Tender expenses			
Less: Sale of tenders			3,000,000
		-	(3,000,000)
Payment to Auditors		46,000	68,700
Advertisement and Publicity		3,047,672	
Printing and stationery		2,150	
Miscellaneous expenses		526,919	10,813
Hiring of Vehicles			42,355
Rates and taxes		10,002	
Sub-total		142,429,591	352,970,683
Total (A)		142,429,591	352,970,683
B. Depreciation/Amortisation		120,795	
C. Finance Costs			
a) Interest on loan from Powergrid	106,118,867		71,106
		106,118,867	71,106
b) Other finance charges			
Others	8,226,181		9,471,033
		8,226,181	9,471,033
Total (C)		114,345,048	9,542,139
D. Less: Other Income			
Contractors	52,536,011		
Others	110,067,044		
		162,603,055	-
Miscellaneous income		1,333,140	
Total (D)		163,936,195	-
GRAND TOTAL (A+B+C-D)		92,959,239	362,512,822

**22. Contingent Liabilities & Capital Commitments**

(Amount in ₹)

Particulars	2016-17	2015-16
i. Contingent Liability	NIL	NIL
ii. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	18,655,776,893	19,811,484,461

23. Party Balances and Confirmations

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

24. Auditors Remuneration

(Amount in ₹)

S. No.	Particulars	FY 2016-17	FY 2015-16
1	Statutory Audit Fees	40,000	30,000
2	Other Services	-	30,000
	Service Tax	6,000	8,700
	Total	46,000	68,700

25. 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. 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.

b. Leases

Operating Lease: The Company has no Operating leases.

Finance Lease: The Company has no finance leases.

c. Borrowing cost

The borrowing cost of ₹ 114,345,048 (FY 2015-16 ₹ 9,542,139) relating to project is carried under interest during construction period for capitalization on completion of the project in terms of the Ind-AS 23.

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.

26. Fair Value Measurements

(Amount in ₹)

Financial Instruments by category	31 st March, 2017		31 st March, 2016	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Cash & cash Equivalents		18,356,029		1,019,925
Other Financial Assets		3,477,979		-
Total Financial assets		18,356,028		1,019,925
Financial Liabilities				
Borrowings		3,512,635,694		156,400,000
Other Financial Liabilities		2,265,271,990		206,591,635
Total financial liabilities		5,777,907,684		362,991,635

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.

(Amount in ₹)

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			3,492,070,828		3,492,070,828
Other non current financial liabilities					
Deposits/retention money from contractors and others			2,265,271,990		2,265,271,990
Total financial liabilities			5,757,342,818		5,757,342,818

(Amount in ₹)

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 2016					
Financial Assets					
Total Financial Assets					
Financial Liabilities					
Borrowings			153,467,826		153,467,826
Other Current Financial Liabilities			206,591,635		206,591,635
Total financial liabilities			360,059,461		360,059,461

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

(Amount in ₹)

	31 March 2017		31 March 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-
Total Financial Assets				
Financial Liabilities				
Borrowings	3,512,635,694	3,492,070,828	156,400,000	153,467,826
<u>Other non-current financial liabilities</u>				
Deposits/retention money from contractors and others	2,265,271,990	2,352,267,529	206,591,635	206,591,635
Dues for capital expenditure				
Total financial liabilities	5,777,907,684	5,844,338,357	362,991,635	362,991,635

The carrying amounts of 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.

They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable 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.

27. Related party Transactions

(a) Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Power Grid Corporation of India Limited	India- Holding Company	100%	100%	100%

(b) Subsidiaries of Holding company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Powergrid NM Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Vizag Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Unchahar Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Kala Amb Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Warora Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Parli Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Power System Operation Corporation Limited *	India-Fellow Subsidiary	NA	NA	NA
Grid Conductors Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Jabalpur Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Medinipur Jeerat Transmission Limited ##	India-Fellow Subsidiary	NA	NA	NA

* ceased to be subsidiary of holding company w.e.f. 2nd January, 2017.

100% equity in Medinipur Jeerat Transmission Limited acquired from PFC Consulting Limited on 28th March, 2017.

(c) Joint Ventures of Holding company

Name of entity	Place of business/ country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Powerlinks Transmission Limited	India-JV of Holding	NA	NA	NA
Torrent Power Grid Limited	India-JV of Holding	NA	NA	NA
Jaypee Powergrid Limited	India-JV of Holding	NA	NA	NA
Parbati Koldam Transmission Company Limited	India-JV of Holding	NA	NA	NA
Teestavalley Power Transmission Limited	India-JV of Holding	NA	NA	NA
North East Transmission Company Limited	India-JV of Holding	NA	NA	NA
National High Power Test Laboratory Private Limited	India-JV of Holding	NA	NA	NA
Energy Efficiency Services Limited*	India-JV of Holding	NA	NA	NA
Bihar Grid Company Limited	India-JV of Holding	NA	NA	NA
Kalinga Vidyut Prasaran Nigam Private Limited	India-JV of Holding	NA	NA	NA
Cross Border Power Transmission Company Limited	India-JV of Holding	NA	NA	NA
RINL Powergrid TLT Private Limited	India-JV of Holding	NA	NA	NA
Power Transmission Company Nepal Ltd	Nepal JV of Holding	NA	NA	NA

*ceased to be Joint Venture of holding company w.e.f. 25th April 2016

(d) Key Management Personnel

Name	Designation	Date of Appointment	Date of Cession
Shri Ravi P Singh	Chairman (Part-time)	04.12.2015	Continuing
Shri Sirivastava	Director (Part-time)	04.12.2015	Continuing
Shri V Sekhar	Director (Part-time)	04.12.2015	Continuing
Shri D K Valecha	Director (Part-time)	04.12.2015	Continuing
Shri A Nagaraju	CEO (Part-time)	04.12.2015	Continuing
Shri M S Rangacharyulu	CFO (Part-time)	03.06.2016	Continuing

(e) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
NIL	NIL	NIL

(f) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Services received by the Company		
Holding Company		
Power grid Corporation of India Ltd.		
Consultancy Charges (Excluding Taxes)	119,171,337	148,575,000
Total	119,171,337	148,575,000

(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:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Trade payables (purchases of goods and services)		
<u>Holding Company</u>		
Power grid Corporation of India Ltd.	166,622,913	191,841,760
Total payables to related parties	166,622,913	191,841,760

**(h) Loans to/from related parties**

(Amount in ₹)

Loans from Holding Company	31 March, 2017	31 March, 2016
Power Grid Corporation of India Ltd.	3,425,640,155	156,400,000
Total	3,425,640,155	156,400,000

(i) Interest accrued on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Holding		
Power Grid Corporation of India Ltd.	86,995,539	63,995
Total	86,995,539	63,995

(j) Interest on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Holding		
Power Grid Corporation of India Ltd.	106,118,867	71,016
Total	106,118,867	71,016

28. 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.

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 2017 and 31 March 2016.

30. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2017	31 March, 2016
From Continuing Operations	(3.99)	(0.66)
Total basic and diluted earnings per share attributable to the equity holders of the company	(3.99)	(0.66)

(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2017	31 March, 2016
Earnings attributable to the equity holders of the company	(199,250)	(32,994)
Total Earnings attributable to the equity holders of the company	(199,250)	(32,994)

(c) Weighted average number of shares used as the denominator	31 March, 2017 No. of shares	31 March, 2016 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000

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.

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.

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 ₹ 183,56,029 (31st March, 2016: ₹ 10,19,925). 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:

(Amount in ₹)

Particulars	31st March, 2017	31st March, 2016
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	18,356,029	1,019,925
Other current financial assets	3,477,479	-
Total	21,833,508	1,019,925
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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2017				
Borrowings (including interest outflows)	265,417,842	2,086,598,376	2,717,969,188	5,069,985,406
Trade payables				
Other financial liabilities	2,265,271,990	-	-	2,265,271,990
Total	2,530,689,832	2,086,598,376	2,717,969,188	7,335,257,396
31 March 2016				
Borrowings	13,012,480	99,845,760	160,654,080	273,512,320
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Total	13,012,480	99,845,760	160,654,080	273,512,320
01 April 2015				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Total	-	-	-	-

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.

32. Recent Accounting Pronouncements:**Standard issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

33. First time adoption of IND AS**Transition to IND AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017 and the comparative information presented in these financial statements for the year ended 31 March 2016. In preparing IND AS Balance Sheet of 2015-16, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

There is no impact of Ind AS on Profit and total equity as on 31st March, 2016.

34. 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 Jhalani & Co.
Chartered Accountants
ICAI FRN: 003675N

Tanvi Gupta
Partner
Membership No: 529233

Place : Gurgaon
Date : 12th July, 2017

For and on behalf of the Board of Directors

Ravi P Singh
Chairman

R. K. Srivastava
Director

M S Rangacharyulu
CFO



INDEPENDENT AUDITORS' REPORT

To the Members of Power Grid Southern Interconnector Transmission System Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Power Grid Southern Interconnector Transmission System Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 is 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, 2017, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 29th Apr 2016 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 is not having any pending litigations and hence the impact of pending litigations on its financial position in its Ind AS financial statements 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.
 - iv. The Company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 7 to the financial statements.

For Jhalani & Co.

Chartered Accountants
ICAI Firm Registration No.: 003675N

Tanvi Jhalani

Partner
Membership No: 529233

Place : New Delhi
Date : 12/07/2017



As referred to in our Independent Auditors' Report to the members of the **Power Grid Southern Interconnector Transmission system Limited ('the Company')**, on the financial statements for the year ended 31st March, 2017, we report that:

- (i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
- b) The fixed assets have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) 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. Therefore the provisions of Clause (iii) (a), Clause (iii) (b) and Clause (iii) (c) of the said Order are not applicable to the Company.
- (iv) The company has neither granted any loan nor made any investment nor issued any guarantee and security. Therefore, clause (iv) of the said Order is not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- (vi) Maintenance of cost records under Section 148 (1) of the Companies Act, 2013 as prescribed by Central Government, is not applicable to the company for the year under audit.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Custom, 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, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act and Excise Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.
- (ix) In our opinion on an overall basis and according to the information and explanations given to us, the Company has applied the term loans including funds raised through bonds for the purpose they were obtained. The Company has raised funds from its holding company. The Company has not raised money by way of initial public offer or further public offer during the year.
- (x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of frauds has been committed on or by the Company during the year.
- (xi) Since section 197 of the Companies Act, 2013 is not applicable to the Company on account of it being a Government Company in accordance with the Ministry of Corporate Affairs Notification F.No.1/2/2014-CL-V dated 05.06.2015, hence the provisions regarding managerial remuneration as per clause 3(xi) of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.

- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.

For Jhalani & Co.

Chartered Accountants

ICAI Firm Registration No. : 003675N

Tanvi Jhalani

Partner

Membership No: 529233

Place : New Delhi

Date : 12th July, 2017



Report under Section 143(5) of the Companies Act, 2013, in respect of POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED, on the Annual Accounts for the year ended 31st March, 2017.

SPECIFIC AREAS EXAMINED DURING THE COURSE OF AUDIT OF ANNUAL ACCOUNTS OF POWERGRID NM TRANSMISSION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017, 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.	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 the 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 & assets received as gift, grants(s) from Govt. 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.
4.	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 th November, 2016 to 30 th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	The Company has not held / dealt with specified Bank Notes (SBN) during the said period.	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.

For Jhalani & Co.

Chartered Accountants

ICAI Firm Registration No. : 003675N

Tanvi Jhalani

Partner

Membership No: 529233

Place : New Delhi

Date : 12th July, 2017

As referred to in our Independent Auditors' Report to the members of the **Power Grid Southern Interconnector Transmission system Limited ('the Company')**, on the financial statements for the year ended 31st March, 2017.

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, 2017 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, 2017, 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 Jhalani & Co.

Chartered Accountants
ICAI Firm Registration No. : 003675N

Tanvi Jhalani

Partner
Membership No: 529233

Place : New Delhi
Date : 12th July, 2017

POWERGRID JABALPUR TRANSMISSION LIMITED

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

(CIN: U40300DL2014GOI270433)

ANNUAL REPORT - 2016-17



POWERGRID Jabalpur Transmission Limited
(A wholly owned subsidiary of Power Grid Corporation of India Limited)
CIN: U40300DL2014GOI270433
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016.
Phone No.: 011-26560112, Fax: 011-26601081

NOTICE

NOTICE is hereby given that the third Annual General Meeting of the Members of POWERGRID Jabalpur Transmission Limited will be held on **Friday, the 29th September, 2017 at 11.30 a.m.** at the **Registered Office** of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri D. K. Singh (DIN 06503565), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

By order of the Board of Directors

(S. Vaithilingam)
Director

Place: New Delhi
Date: 29th September, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.
3. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 3rd Annual General Meeting held on 29th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹37,500 for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. The existing Auditors M/s V. J. Amin & Co., Chartered Accountants have been re-appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2017-18.
4. This meeting is being convened at Shorter Notice.

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION**Directors seeking re-election at the 3rd AGM:**

1.

Name	Shri D. K. Singh
DIN	06503565
Date of Birth and Age	15 th January 1961 / 56 Years
Date of Appointment	26 th February, 2015
Qualification	B. Sc. (Electrical), Ranchi University
Expertise in specific functional Area	Shri D. K. Singh is presently working as Executive Director, Western Region – II, POWERGRID. Shri Singh is having 32 years of work experience in the Planning & Development of Indian Power Sector. Prior to joining POWERGRID in the year 1991, Shri Singh worked for 6 years in NTPC in various capacities in the field of Construction of 400 KV transmission lines, Project monitoring, Construction, Operation and Maintenance of Transmission system. As Executive Director of the Region, he is leading a highly motivated group of professionals having expertise in Technical, Commercial, Contracts, Finance and HR fields.
Directorship held in other Companies (Part-time)	<ol style="list-style-type: none"> 1. Torren Power Grid Limited 2. POWERGRID Warora Transmission Limited 3. National High Power Test Laboratory Private Limited
Membership / Chairmanship of Committees in other Companies	
No. of Shares held	NIL
No. of Board Meetings attended during the year	3



POWERGRID Jabalpur Transmission Limited

(A wholly owned subsidiary of Power Grid Corporation of India Limited)

CIN: U40300DL2014GOI270433

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

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

PROXY FORM

Name of the member(s):
Registered address:
E-mail Id:
Folio no/ Client Id:
DP ID:

1. Name of the member(s):
 Address:
 E-mail Id:
 Signature:....., or failing him

2. Name of the member(s):
 Address:
 E-mail Id:
 Signature:....., or failing him

3. Name of the member(s):
 Address:
 E-mail Id:
 Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3rd Annual General Meeting of the Company, to be held on **Friday, the 29th September, 2017 at 11.30 a.m. at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2017, the Report of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Shri D.K. Singh (DIN: 06503565), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.		

Signed this.....day of....., 2017.

Signature of shareholder

Signature of Proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 3rd Annual General Meeting.
- Please complete all details including details of member(s) in the above box before submission.

Affix Revenue Stamp

Directors' Report 2016-17

To,

Dear Members,

On behalf of the Board of Directors, I am delighted to present the 3rd Annual Report on performance of the Company during the financial year ending March 31, 2017 together with the Audited Financial Statements.

POWERGRID Jabalpur Transmission Limited (PJTL) (formerly Vindhyachal Jabalpur Transmission Limited) was acquired /taken over by 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.

FINANCIAL PERFORMANCE

As on 31st March, 2017, the Company has not started its commercial operations. The expenditure of ₹ 206,91,88,871/- incurred during the year has been included under the Capital Work in progress.

DIVIDEND AND TRANSFER TO RESERVES

Since the Company has not started its commercial operations hence there is no operational income/profit.

SHARE CAPITAL

As on 31st March, 2017, the Company had Authorised Share Capital of ₹ 20 Crore and Paid up Capital of ₹ 0.15 Crore.

STATUTORY AUDITORS OF THE COMPANY

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.

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

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Company has received 'NIL' comments on the accounts for the year ended March 31, 2017 by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013. Copy of the same is attached in **Annexure - I** to this report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013 an extract of the annual return in the prescribed format in MGT-9 is given as **Annexure II** of this Report.

COMPANY'S BOARD

There is no change in the composition of the Board during the financial year 2016-17. In accordance with the provisions of section 160 of the Companies Act, 2013 read with the Articles of Association of the Company, Shri D. K. Singh, Director (Part-time) shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

Board of Directors met 8 times during the financial year 2016-2017 (04th April, 2016, 11th April, 2016, 06th May, 2016, 02nd June, 2016, 05th July, 2016, 24th August, 2016, 16th December, 2016 and 28th March, 2017). Details regarding dates and attendance of the Board meetings are provided herein below:

Name of Director	Designation	No. of Meetings attended
Shri Ravi P. Singh	Chairman	8
Shri S. Vaithilingam	Director	8
Shri D. K. Valecha	Director	7
Shri D. K. Singh	Director	3

COMMITTEES OF THE BOARD

PJTL has an Audit Committee and Nomination and Remuneration Committee. The Committees were constituted on 28th March, 2017.

**DECLARATION BY INDEPENDENT DIRECTORS**

PJTL, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013 (the Act), the power to appoint Independent Directors vests with the President of India. The matter has already been taken up with Administrative Ministry for filling up vacancies of Independent Director on the Board of PJTL. During the period under review there were no Independent Directors on the Board.

PERFORMANCE EVALUATION OF DIRECTORS

MCA vide notification dated 05th July 2017 has also amended the Code for Independent Directors, as per which the performance evaluation of the Board by the Independent Directors has been exempted for government companies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as **Annexure III** of the Directors' Report. Further, attention of the members is drawn on Note No. 25 of the Financial Statement which sets out related party disclosure.

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 2016-17.

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

Since no commercial activity was carried out by the Company during the period under review, 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.

RISK MANAGEMENT POLICY

Your Company being a wholly owned subsidiary of POWERGRID follows the similar Risk Management Framework as being done in the holding company.

INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company does not have any operation income/profit. Hence it is not required to make any CSR Expenditure.

SIGNIFICANT MATERIAL ORDERS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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;



- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Our Board of Directors would like to express their deep sense of appreciation for the guidance and co-operation received from Government of India, particularly Ministry of Power, Ministry of Environment & Forests, Ministry of Corporate Affairs, Central Electricity Regulatory Commission, Central Electricity Authority and other concerned Govt. departments/agencies at the Central and State level without whose active support, the achievements of the Corporation during the year under review would not have been possible. The Board also appreciates the contribution of Contractors, Vendors and Consultants for successful implementation of various projects by the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th September, 2017

(Ravi P. Singh)
Chairman
DIN: 05240974



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 2017

The preparation of financial statements of Powergrid Jabalpur Transmission Limited for the year ended 31 March 2017 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 18 August 2017.

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 2017. 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 auditors' report.

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

**(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

Place: New Delhi

Dated: 1st September, 2017

POWERGRID JABALPUR 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	U40300DL2014GOI270433
ii.	Registration Date	14 th 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 ON & FROM 26.02.2015.

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*	0.012	-	6*	6*	0.004	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	149994	149994	99.996	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	50000	50000	100	0	150000	150000	100.00	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-



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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares heldby Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	50000	50000	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			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	49994	99.988	-	149994	99.996	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.002	-	01	0.0006	-	-
3.	Shri Ranjan K. Srivastava jointly with POWERGRID	01	0.002	-	01	0.0006	-	-
4.	Shri Ravi P. Singh jointly with POWERGRID	01	0.002	-	01	0.0006	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID	01	0.002	-	01	0.0006	-	-
6.	Shri D.K. Valecha jointly with POWERGRID	01	0.002	-	01	0.0006	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.0006	-	-
	Total	50000	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	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):	02.06.2016 – 100000 Equity Shares were allotted to Power Grid Corporation of India Limited			
	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.	For each of Directors and KMP	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	-	-	-	-
1	Shri Ravi P. Singh, Chairman				
	At the beginning of the year	01*	0.002	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*	0.002	01*	0.0006
2	Shri D.K. Valecha, Director				
	At the beginning of the year	01*	0.002	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*	0.002	01*	0.0006
3	Shri S. Vaithilingam, Director				
	At the beginning of the year	01*	0.002	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*	0.002	01*	0.0006
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		2,34,14,200		2,34,14,200
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	2,34,14,200	-	2,34,14,200
Change in Indebtedness during the financial year				
- Addition		201,72,34,118		201,72,34,118
- Reduction				
Net Change	-	201,72,34,118	-	201,72,34,118
Indebtedness at the end of the financial year				
i) Principal Amount		204,06,48,318		204,06,48,318
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

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
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors • 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/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 Jabalpur Transmission Limited
Ravi P. Singh
Chairman
 DIN: 05240974

 Place : New Delhi
 Date : 29th September, 2017



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.

SI. 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.

SI. 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 ₹ 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 service tax 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	16.12.2016 [for Part (A)], 29.02.2016 [for Part (B)].
f	Amount paid as advances, if any	NIL

For and on behalf of
POWERGRID Jabalpur Transmission LimitedRavi P. Singh
Chairman
DIN: 05240974Place : New Delhi
Date : 29th September, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	128736	-	-
(b) Capital work-in-progress	5	2280175713	210986842	183974890
(c) Other non-current assets	6	360434688	-	-
		2640739137	210986842	183974890
Current assets				
(a) Financial Assets				
Cash and cash equivalents	7	502701	2054780	19550
(b) Other current assets	8	6659236	5000	-
		7161937	2059780	19550
Total Assets		2647901074	213046622	183994440
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	9	1500000	500000	500000
(b) Other Equity	10	(33194)	(33194)	(33194)
		1466806	466806	466806
Liabilities				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	11	2040648318	23414200	-
(ii) Other non-current financial liability	12	60327130	-	-
		2100975448	23414200	-
Current liabilities				
(a) Financial Liabilities				
Other current financial liability	13	526071462	187129535	183527634
(b) Other current liabilities	14	19387358	2036081	-
		545458820	189165616	183527634
Total Equity and Liabilities		2647901074	213046622	183994440

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 Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner

Membership No. 47553

Place : Vadodara

Date : 4th July, 2017**For and on behalf of Board of Directors****Ravi P Singh**

Chairman

DIN : 05240974

S. Vaithilingam

Director

DIN : 07107854

**Statement of Profit and Loss** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations		-	-
II Other Income	15	-	-
III Total Income (I+II)		-	-
IV EXPENSES			
Employee benefits expense		-	-
Finance costs	16	-	-
Depreciation and amortization expense	17	-	-
Other expenses	18	-	-
Total expenses (IV)		-	-
V Profit/(loss) before tax (III-IV)		-	-
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit/(loss) for the period (V-VI)		-	-
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period (VII+VIII)		-	-
X Earnings per equity share		-	-
Basic & Diluted (Par value of ₹ 10 each)		-	-

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 Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner

Membership No. 47553

For and on behalf of Board of Directors**Ravi P Singh**

Chairman

DIN : 05240974

S. Vaithilingam

Director

DIN : 07107854

Place : Vadodara

Date : 4th July, 2017

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Adjustments for :-		
Increase/(Decrease) in Other Current/Non-Current Liabilities	418,679,314	5,632,982
Increase/(Decrease) in Short Term Provisions	(2,058,981)	-
(Increase)/Decrease in Other current Assets	(6,654,236)	-
Net Cash Flow from Operating Activities	<u>409,966,097</u>	<u>5,632,982</u>
(B) Cash Flow from Investing Activities:		
- Property, Plant & Equipment & Capital Work in Progress	(2,069,317,606)	(27,011,952)
- Advances for Capital Expenditure	(360,434,688)	-
Net Cash used in Investing Activities	<u>(2,429,752,294)</u>	<u>(27,011,952)</u>
(C) Cash Flow from Financing Activities:		
- Share Capital raised during the year	1,000,000	-
- Loans raised during the year	2,017,234,118	23,414,200
Net Cash from Financing Activities	<u>2,018,234,118</u>	<u>23,414,200</u>
(D) Net change in Cash & Cash equivalents(A+B+C)	<u>(1,552,079)</u>	<u>2,035,230</u>
(E) Cash and Cash Equivalents at the beginning of the period	<u>2,054,780</u>	19,550
(F) Cash and Cash Equivalents at the end of the period	<u>502,701</u>	<u>2,054,780</u>

Note:

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 Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner

Membership No. 47553

Place : Vadodara

Date : 4th July, 2017**For and on behalf of Board of Directors****Ravi P Singh**

Chairman

DIN : 05240974

S. Vaithilingam

Director

DIN : 07107854

**Statement of Changes in Equity** for the period ended 31st March, 2017**A. Equity Share Capital**

(Amount in ₹)

Particulars	Amount
As at 1st April, 2015	500,000
Changes in equity share capital	-
As at 31st March, 2016	500,000
Changes in equity share capital	1,000,000
As at 31st March, 2017	1,500,000

B. Other Equity

(Amount in ₹)

	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	Other items of Other Comprehensive Income	
Balance at 1 st April, 2015	-	-	-	-	-33,194	-	-	-33,194
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Balance at 31 st March, 2016	-	-	-	-	-33,194	-	-	-33,194
Balance at 1 st April, 2016	-	-	-	-	-33,194	-	-	-33,194
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Balance at 31 st March, 2017	-	-	-	-	-33,194	-	-	-33,194

As per our report of even date

For V. J. Amin & Co.

Chartered Accountants

ICAI Firm Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner

Membership No. 47553

Place : Vadodara

Date : 4th July, 2017**For and on behalf of Board of Directors****Ravi P Singh**

Chairman

DIN : 05240974

S. Vaithilingam

Director

DIN : 07107854

Notes to Financial Statements

1. Corporate and General Information

Powergrid Jabalpur 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 31st March 2017 were approved for issue by Board of Directors on 4th July, 2017.

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 thereof.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer note 32 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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 of 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 rupee 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

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First Time adoption of Indian Accounting standard'.

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 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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

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.

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.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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 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 & methodology notified by the CERC.

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

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

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 for CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use.

Other borrowing costs are charged to revenue

2.7 Impairment of non-financial assets, other than inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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.

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, security deposit, claims recoverable & other financial assets.

Classification

The Company classifies its financial assets 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 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 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 group 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 effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized 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.

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.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 profit or loss as other income or finance cost.

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 dates 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.



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.

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

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.

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.

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

Self Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property Plant & Equipment as at the end of the year except assets covered under insurance by appropriating current year profit to mitigate future losses which may arise from un-insured risks. The same 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."

3. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgement while applying the company's accounting policies for the estimates and judgements are periodically evaluated in line with progress of the Project & 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 4/Property, Plant and Equipment

(Amount in ₹)

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Furniture Fixtures	-	129432	-	-	129432	-	696	-	-	128736	-
Total	-	129432	-	-	129432	-	696	-	-	128736	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-



Note 5/Capital work in progress

(Amount in ₹)

Particulars	As at 1 st April,2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March,2017
Plant & Equipments (including associated civil works)					
Transmission	865,415	1,122,057,497	-	-	1,122,922,912
Expenditure during construction (net) (Note 19)	210,121,427	181,554,139	-	-	391,675,566
Construction Stores	-	765,577,235	-	-	765,577,235
Grand Total	210,986,842	2,069,188,871	-	-	2,280,175,713

Note 5/Capital work in progress

(Amount in ₹)

Particulars	As at 1 st April,2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March,2016
Plant & Equipments (including associated civil works)					0.00
Transmission	-	865,415	-	-	865,415
Expenditure pending allocation	-	-	-	-	-
Expenditure during construction (net) (Note 19)	183,974,890	26,146,537	-	-	210,121,427
	183,974,890	27,011,952	-	-	210,986,842

Note:

The Company has opted for deemed cost exemption as per IND AS 101 "First Time Adoption Of Indian Accounting Standards" of Para D7AA. Accordingly carrying value is considered as deemed cost on the date of transition i.e. 1st April 2015.

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

(Details of Construction stores) (At Cost)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Construction Stores			
Towers	409,504,159	-	-
Conductors	281,736,319	-	-
Other Line Materials	60,942,958	-	-
Sub-Station Equipments	31,420	-	-
Others	13,362,379	-	-
TOTAL	765,577,235	-	-
Construction Stores include:			
i) Material in transit			
Towers	11,251	-	-
Conductors	30,722,877	-	-
Others	13,362,379	-	-
Total	44,096,507	-	-
ii) Material with Contractors			
Towers	409,492,908	-	-
Conductors	251,013,442	-	-
Other Line Materials	60,942,958	-	-
Sub-Station Equipments	31,420	-	-
Total	721,480,728	-	-
Grand total	765,577,235	-	-

Note 6/Other Non-current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Advances for Capital Expenditure			
Unsecured			
Against bank guarantees	360,052,132	-	-
B) Advances recoverable in cash or in kind or for value to be received			
Advance tax and Tax deducted at source	382,556	-	-
TOTAL	360,434,688	-	-

Note 7/Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Balance with banks-			
-In Current accounts	502701	2054780	19550
Total	502701	2054780	19550

Details of Specified Bank Notes (SBN)

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

Note 8/Other Current Assets

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances recoverable in kind or for value to be received			
Balance with Customs Port Trust and other authorities	6,659,236.00	5,000	-
Total	6,659,236.00	5,000	-

Note 9/Equity Share capital

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Equity Share Capital			
Authorised			
20000000 (31 st March 2016 20000000, 1 st April 2015 20000000) equity shares of ₹ 10/- each at par	20000000	20000000	20000000
Issued, subscribed and paid up			
150000 (31 st March 2016 50000, 1 st April 2015 50000) equity shares of ₹ 10/-each at par fully paid up	150000	50000	50000
Total	150000	50000	50000



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, 2017		For the year ended 31 st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	50000	500000	50000	500000
Shares Issued during the year	100000	1000000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	150000	1500000	50000	500000

- 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 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, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited	150000	100%	50000	100%	50000	100%

Note 10/Other Equity

(Amount in ₹)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Reserves and Surplus					
Retained Earnings						
As per last balance sheet		(33194)		(33194)		(33194)
Closing Balance		(33194)		(33194)		(33194)
TOTAL		(33194)		(33194)		(33194)

Note 11/ Borrowings

(Amount in ₹)

Description	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Unsecured Loan from Power Grid Corporation of India Ltd (Holding Co.)		2040648318		23414200	
Total		2040648318		23414200		-

Note:

The Inter Corporate Loan is provided by the Company at the rate which varies from 7.20% to 8.40% repayable over a period of 10 to 20 years after a moratorium period of 3 to 5 years.

Note 12/Other Non-current financial liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Other liabilities					
Deposits /Retention money from contractors and others		60327130		-		-
Total		60327130		-		-

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. 20

Note 13/Other Non-current financial liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Interest accrued but not due on borrowings from			
Related Party (Power Grid Corporation of India Ltd)	50,520,151	-	-
Others			
Dues for capital expenditure	378,461,942	187,106,635	183,527,634
Deposits/Retention money from contractors and others.	96,648,249	-	-
Others	441,120	22,900	-
	475,551,311	187,129,535	183,527,634
Total	526,071,462	187,129,535	183,527,634

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. 20

Note 14/Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	19,387,358	2,036,081.00	-
Total	19,387,358	2,036,081.00	-

Note 15/Other Income

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Others		
FV gain on initial recognition of Financial Liabilities	7,029,647	-
	7,029,647	-
Less: Income transferred to expenditure during construction (Net)- Note 19	7,029,647	-
TOTAL	-	-

Note 16/Finance costs

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A) Interest and finance charges on financial liabilities at amortised cost		
i) Loan from Holding Co.	56,133,501	14,813
ii) Unwinding of discount on financial liabilities	892,906	-
Total	57,026,407	14,813
Less: Transferred to Expenditure during Construction (Net)-Note 19	57,026,407	14,813
TOTAL	-	-

**Note 17/Depreciation and amortization expense**

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	696	-
Less: Transferred to Expenditure During Construction(Net)-Note 19	696	-
TOTAL	-	-

Note 18/Other expenses

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Professional charges (Including TA/DA)	131,013,357	23,322,670
Payments to Statutory Auditors		
Audit Fees	37,500	19,900
Advertisement and publicity	-	475,194
Printing and stationery	-	6,010
CERC petition & Other charges	500,000	397,500
Miscellaneous expenses	-	-
Rates and taxes	-	1,909,250
Other charges	5,826	1,200
	131,556,683	26,131,724
Less: Transferred to Expenditure during Construction(Net)-Note 19	131,556,683	26,131,724
Total	-	-

Note 19/Expenditure during Construction (Net)

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Other Expenses		
Professional charges (Including TA/DA)	131013357	23322670
Payment to Auditors	37500	19900
Advertisement and Publicity	-	475194
Printing and stationery	-	6010
Miscellaneous expenses	500000	398700
Rates and taxes	-	1909250
Other Charges	5826	-
Sub-total	131556683	26131724
Total (A)	131556683	26131724
B. Depreciation/Amortisation	696	-
C. Finance Costs		
Other finance charges		
Loan from Holding Co.	56133501	14813
Unwinding of discount on financial liabilities	892906	
Total (C)	57026407	14813
D. Less: Other Income		
Others	7029647	-
Total (D)	7029647	-
GRAND TOTAL (A+B+C-D)	181554138	26146537

20. 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:

(Amount in ₹)

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	Nil	Nil
	Interest	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

21. There are no employees on the payroll of the company.

22. Borrowing Cost Capitalized/Shifted to IDC during the year ₹ 57026407(PY ₹ 14813) in the respective carrying amount of Property, Plant and Equipment/Capital work in progress(CWIP) as per IND AS 23 "Borrowing Costs".

23. Fair Value Measurements

(Amount in ₹)

Financial Instruments by category	31 st March, 2017		31 st March, 2016		01 April, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & cash Equivalents		502701		2054780		19550
Total Financial assets		502701		2054780		19550
Financial Liabilities						
Borrowings		2091168469		23414200		-
Other Financial Liabilities		535878441		187129535		183527634
Total financial liabilities		2627046910		210543735		183527634

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	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2017					
Financial Assets	-	-	-	-	-
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings	-	-	2130714733	-	2130714733
Other financial liabilities	-	-	-	-	-
Deposits/retention money from contractors and others	-	-	535878441	-	535878441
Total financial liabilities	-	-	2666593174	-	2666593174



(Amount in ₹)

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 2016	-	-	-	-	-
Financial Assets					
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings			22979907		22979907
Other financial liabilities			187129535		187129535
Total financial liabilities			210109442		210109442

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 1 April 2015	-	-	-	-	-
Financial Assets					
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings	-	-	-	-	-
Other financial liabilities			183527634		183527634
Total financial liabilities			183527634		183527634

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

(Amount in ₹)

	31 March 2017		31 March 2016		1 April 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-	-	-
Total Financial Assets						
Financial Liabilities						
Borrowings	2091168469	2130714733	23414200	22979907	-	-
Other financial liabilities	535878441	535878441	187129535	187129535	183527634	183527634
Total financial liabilities	2627046910	2666593174	210543735	210109442	183527634	183527634

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.

24. Related party Transactions**(a) Holding Company**

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-2017 Holding Co.	31-Mar-16 Holding Co.	01-Apr-15 Holding Co.
Powergrid Corporation of India Limited	India- Holding Company	100%	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31-Mar-16	01-Apr-15
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	-	-	-
Power System Operation Corporation Limited *	India-Fellow Subsidiary	-	-	-
Grid Conductors Limited	India-Fellow Subsidiary	-	-	-
Medinipur Jeerat Transmission Limited #	India-Fellow Subsidiary	-	-	-

*Cease to be subsidiary of Holding Co. wef 02/01/2017

#100% equity in Medinipur Jeerat Transmission Ltd. By Holding Company on 28/03/2017

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
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	-	-	-
Energy Efficiency Services 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	-	-	-

*Cease to be Joint venture of Holding Co. wef 25/04/2016



(d) Key Management Personnel

Name	Designation
Sh. Ravi P Singh	Chairman (Part Time)
Sh. D.K. Singh	Director (Part Time)
Sh. S. Vaithilingam	Director (Part Time)
Sh. D.K. Valecha	Director (Part Time)
Sh. P.C. Garg	Chief Executive Officer (Part Time)

(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:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Payables			
Holding Company			
Powergrid Corporation of India Ltd.	87740003	-	-
Total	87740003	-	-

(f) Investments Received during the year (Equity)

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Payables			
Holding Company			
Power grid Corporation of India Ltd.	1000000	-	500000
Total	1000000	-	500000

(g) Loans to/from related parties

(Amount in Rupees)

Loans from Holding Company	31 March, 2017	31 March, 2016	1 April, 2015
Power Grid Corporation of India Ltd.	2040648318	23414200	-
Total	2040648318	23414200	-

(h) Interest accrued on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Holding			
Power Grid Corporation of India Ltd.	5052051.00	14813.00	-
Total	5052051.00	14813.00	-

(i) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Services received by the Company		
Holding Company		
Power Grid Corporation of India Ltd.		
Consultancy Charges	131013357	187106635
Interest	56133501	14813
Total	187146858	187121448

(j) Interest on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Holding		
Power Grid Corporation of India Ltd.	56133501	14813
Total	56133501	14813

25. 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.

26. Capital and other Commitments

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8837475680	-	-

27. Contingent Liabilities and contingent assets**Contingent Liabilities**

There is no Contingent Liabilities as at 31st March 2017 (Nil 31st March 2016, Nil 01st April 2015)

28. 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 2017 and 31 March 2016.

29. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2017	31 March, 2016
From Continuing Operations	-	-
Total basic diluted earnings per share attributable to the equity holders of the company	-	-

(Amount in Rupees)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2017	31 March, 2016
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, 2017 No. of shares	31 March, 2016 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	133014	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	133014	50000

30. 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 2017 of ₹ 502701.00 (31st March, 2016: ₹ 2054780.00, 1st April, 2015: ₹ 19550.00). 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:

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Cash and cash equivalents	502701	2054780	19550
Other current financial assets	6659236	5000	-
Total	7161937	2059780	19550

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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total
31 March 2017					
Borrowings (including interest outflows)	213092704	155991655	1221133962	1896801085	3487019406
Other financial liabilities	535878441	-	-	-	535878441
Total	748971145	155991655	1221133962	1896801085	4022897847
31 March 2016					
Borrowings	-	1948153	13629359	25365267	40942779
Other financial liabilities	187129535	-	-	-	187129535
Total	187129535	1948153	13629359	25365267	228072314
01 April 2015					
Borrowings	-	-	-	-	-
Other financial liabilities	183527634	-	-	-	183527634
Total	183527634	-	-	-	183527634

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 2394302 USD (INR Vale 157377470) (31st March 2016- NIL, 01st April 2015- NIL)

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

31. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows'; requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

**32. First time adoption of IND AS****Transition to Ind AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Reconciliation of equity as at 31st March 2016 & 1st April 2015.

There is no Impact of IND AS as on 31st March 2016 and 1st April 2015 in total equity. So there is no change in total equity as on 31st March 2016 & 01st April 2015.

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

There is no impact of IND AS for the year ended 31st March 2016 on Total Comprehensive Income, so there is no change in total comprehensive income for the year 31st March 2016.

Impact of IND AS adoption on the Statements of Cash Flows for the year ended 31st March, 2016

There is no impact of IND AS as on 31st March, 2016 in the statements of cash flows. So there is no change in Statement of cash flows for the year 31st March, 2016.

33. Previous year figures have been regrouped and rearranged.

For and on behalf of the Board of Directors

As per our report of even date

For V. J. Amin & Co.

Chartered Accountants

ICAI Firm Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner

Membership No. 47553

Place : Vadodara

Date : 4th July, 2017

For and on behalf of Board of Directors

Ravi P Singh

Chairman

DIN : 05240974

S. Vaithilingam

Director (Part-Time)

DIN : 07107854

INDEPENDENT AUDITORS' REPORT

To the Members of **Powergrid Jabalpur Transmission Limited**

Annexure-2 has been revised in response to the HM no. 2 raised by the C&AG auditors.

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, 2017, 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, 2017, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 21st July 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.



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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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;
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

For V. J. Amin & Co.

Chartered Accountants
ICAI Firm Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner
Membership No. 47553
Place : Vadodara
Date : 4th July, 2017

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, 2017, 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 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 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 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 (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)	<p>(a) Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</p> <ul style="list-style-type: none"> 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. <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>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, 2017 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 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).</p>	<p>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.</p>
(viii)	<p>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.</p> <p>(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided).</p>	<p>According to information and explanations given to us, there is no such default.</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). 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</p>
(x)	<p>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;</p>	<p>According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</p>
(xi)	<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 2015-2016. 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</p>

(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., 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 V. J. Amin & Co.

Chartered Accountants
ICAI Firm Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner
Membership No. 47553
Place : Vadodara
Date : 4th July, 2017



Annexure-2

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 2017

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.	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
4	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	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.	The Company has provided requisite disclosures in the financial statement as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. (Annexure 4)	Nil

For V. J. Amin & Co.

Chartered Accountants
ICAI Firm Regn. No. 100335W

Dharamsinh T. Kesharani

Partner
Membership No. 047553
Firm Regn. No. 100335W
Place : Vadodara
Date : 4th July, 2017

Annexure 4

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

(Amount in ₹)

	Specified Bank Notes	Other Denomination Notes	Total
Closing cash on hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash on hand as on 30.12.2016	NIL	NIL	NIL

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, 2017

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, 2017 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, 2017, 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
ICAI Firm Regn. No. 100335W

CA Dharamsinh T. Kesharani

Partner
Membership No. 47553
Place : Vadodara
Date : 4th July, 2017

POWERGRID KALA AMB TRANSMISSION LIMITED

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

(CIN: U40106DL2013GOI256048)

ANNUAL REPORT - 2016-17

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- 110 016.
Phone No.: 011-26560112, Fax: 011-26601081

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of will be held on **Friday, the 29th September, 2017 at 10.30 a.m.** at the **Registered Office** of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R. P. Sasmal (DIN 02319702), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

By order of the Board of Directors

sd/-
(S. Vaithilingam)
 Director

Place: New Delhi
 Date: 29th September, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.
3. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 3rd Annual General Meeting held on 29th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 40,000 for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. M/s. Amit Jai & Co. have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2017-18.
4. This meeting is being convened at Shorter Notice.

**BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION****Directors seeking re-election at the 4th AGM:**

1.

Name	Shri R. P. Sasmal
DIN	02319702
Date of Birth and Age	28 th February, 1958/ 59 Years
Date of Appointment	12 th May, 2014
Qualification	Graduate Engineer from Sambalpur University, Odisha
Expertise in specific functional Area	Shri Sasmal has more than 35 years of experience in power sector. He has handled multi-disciplinary functions such as planning, monitoring and implementation of HVDC projects, EHV transmission systems and Load Despatch and Communication Systems. He was instrumental in introducing the ± 800 kV multi-terminal HVDC transmission system which is first of its kind in the world. Under his guidance, the first unmanned operation of 400 kV sub-station at Bhiwadi was implemented as a pilot project. He has been bestowed upon with "Distinguished Member of CIGRE, 2012" and has published various technical papers on transmission systems especially on HVDC in various national and international professional forums/societies like IEEE and CIGRE. He is currently the national representative for India at CIGRE for HVDC and Power Electronics. He is currently working as Director (Operations) of Power Grid Corporation of India Limited.
Directorship held in other Companies (Part-time)	<ol style="list-style-type: none"> 1. Power Grid Corporation of India Limited 2. RINL Powergrid TLT Private Limited 3. Grid Conductors Limited 4. Cross Border Power Transmission Company Limited 5. Kalinga Bidyut Prasaran Nigam Private Limited 6. Delhi Transco Limited 7. POWERGRID NM Transmission Limited 8. POWERGRID Parli Transmission Limited 9. POWERGRID Vizag Transmission Limited 10. POWERGRID Warora Transmission Limited
Membership / Chairmanship of Committees in other Companies	Audit Committee Member – Power Grid Corporation of India Limited
No. of Shares held	1*
No. of Board Meetings attended during the year	8

*Jointly with Power Grid Corporation of India Limited

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- 110 016.

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

PROXY FORM

Name of the member(s):

Registered address:

E-mail Id:

Folio no/ Client Id:

DP ID:

1. Name of the member(s):

Address:

E-mail Id:

Signature:....., or failing him

2. Name of the member(s):

Address:

E-mail Id:

Signature:....., or failing him

3. Name of the member(s):

Address:

E-mail Id:

Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4th Annual General Meeting of the company, to be held on **Friday, the 29th September, 2017 at 11.00 a.m. at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2017, the Report of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Shri R.P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.		

Signed this.....day of....., 2017.

Signature of shareholder

Signature of Proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 4th Annual General Meeting.
- Please complete all details including details of member(s) in the above box before submission.

Affix Revenue
Stamp



Directors' Report 2016-17

To,

Dear Members,

On behalf of the Board of Directors, I am delighted to present the 4th Annual Report on performance of the Company during the financial year ending March 31, 2017 together with the Audited Financial Statements.

POWERGRID Kala Amb Transmission Limited (PKATL) (formerly NRSS XXXI (A) Transmission Limited) was acquired /taken over by 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 has been completed on 12th July, 2017.

FINANCIAL PERFORMANCE

As on 31st March, 2017, the Company has not started its commercial operations. The expenditure of ₹ 200,26,08,813/- incurred during the year has been included under the Capital Work in progress.

DIVIDEND AND TRANSFER TO RESERVES

Since the Company has not started its commercial operations hence there is no operational income/profit.

SHARE CAPITAL

As on 31st March, 2017, the Company had Authorised Share Capital of ₹ 5 Crore and Paid up Capital of ₹ 1.05 Crore. Subsequently the Authorised Share Capital was increased to ₹ 35 Crore w.e.f. 05th May, 2017. Further the Subscribed and Paid up Capital was increased to ₹ 31.05 Crore on 29th September, 2017.

STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s Amit Jai & Co. Chartered Accountants, Jammu have been appointed as Statutory Auditors for the financial year 2017-18 in place of the erstwhile auditors M/s Rakesh Ganesh & Associates, Chartered Accountants.

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

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Company has received 'NIL' comments on the accounts for the year ended March 31, 2017 by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013. Copy of the same is attached in **Annexure - I** to this report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013 an extract of the annual return in the prescribed format in MGT-9 is given as **Annexure II** of this Report.

COMPANY'S BOARD

Your Company's composition of Board of Directors underwent some changes during the year 2016-2017. During the year, Shri Anil Jain was appointed as Director (Part-Time) w.e.f. 01st August, 2016 in place of Shri S. K. Sharma, Director (Part-time).

In accordance with the provisions of section 160 of the Companies Act, 2013 read with the Articles of Association of the Company, Shri R.P. Sasmal, Chairman (Part-time) shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

Board of Directors met 8 times during the financial year 2016-2017 (04th April, 2016, 23rd May, 2016, 02nd June, 2016, 02nd August, 2016, 02nd September, 2016, 27th December, 2016, 01st March, 2017 and 30th March, 2017). Details regarding dates and attendance of the Board meetings are provided herein below:

Name of Director	Designation	No. of Meetings attended
Shri R. P. Sasmal	Chairman	8
Shri S. Vaithilingam	Director	8
Shri D. K. Valecha	Director	7
Shri S. K. Sharma*	Director	3
Shri Anil Jain**	Director	2

*Ceased to be a Director w.e.f. 01st August, 2016

**Appointed as Director w.e.f. 01st August, 2016

COMMITTEES OF THE BOARD

PKATL has an Audit Committee and Nomination and Remuneration Committee. The Committee was constituted on 30th March, 2017.

DECLARATION BY INDEPENDENT DIRECTORS

PKATL, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013 (the Act), the power to appoint Independent Directors vests with the President of India. The matter has already been taken up with Administrative Ministry for filling up vacancies of Independent Director on the Board of PKATL. During the period under review there were no Independent Directors on the Board.

PERFORMANCE EVALUATION OF DIRECTORS

MCA vide notification dated 05th July 2017 has also amended the Code for Independent Directors, as per which the performance evaluation of the Board by the Independent Directors has been exempted for government companies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as **Annexure III** of the Directors' Report. Further, attention of the members is drawn on Note No. 25 of the Financial Statement which sets out related party disclosure.

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 2016-17.

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

Since no commercial activity was carried out by the Company during the period under review, 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.

RISK MANAGEMENT POLICY

Your Company being a wholly owned subsidiary of POWERGRID follows the similar Risk Management Framework as being done in the holding company.

INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company does not have any operation income/profit. Hence it is not required to make any CSR Expenditure.

SIGNIFICANT MATERIAL ORDERS

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



DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Our Board of Directors would like to express their deep sense of appreciation for the guidance and co-operation received from Government of India, particularly Ministry of Power, Ministry of Environment & Forests, Ministry of Corporate Affairs, Central Electricity Regulatory Commission, Central Electricity Authority and other concerned Govt. departments/agencies at the Central and State level without whose active support, the achievements of the Corporation during the year under review would not have been possible. The Board also appreciates the contribution of Contractors, Vendors and Consultants for successful implementation of various projects by the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th September, 2017

sd/-
(R. P. Sasmal)
Chairman
DIN: 02319702

ANNEXURE I

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 2017

The preparation of financial statements of Powergrid Kala Amb Transmission Limited for the year ended 31 March 2017 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 29 June 2017.

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 Kala Amb Transmission Limited for the year ended 31 March 2017. 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 auditors' report.

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



**(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

Place: New Delhi
Dated: 28 August, 2017



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*	0.012	-	6	6*	0.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	1049994	1049994	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	50000	50000	100	0	1050000	1050000	100.00	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-

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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	-	1050000	1050000	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			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	49994	99.988	-	1049994	100.00	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.002	-	01	0.00	-	-
3.	Shri Ranjan K. Srivastava jointly with POWERGRID	01	0.002	-	01	0.00	-	-
4.	Shri Ravi. P. Singh jointly with POWERGRID	01	0.002	-	01	0.00	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID	01	0.002	-	01	0.00	-	-
6.	Shri D.K. Valecha jointly with POWERGRID	01	0.002	-	01	0.00	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.00	-	-
	Total	50000	100	-	1050000	100.00	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	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):	02.06.2016 – Allotment of 10,00,000 Equity Shares to Power Grid Corporation of India Limited			
	At the End of the year	1050000	100	1050000	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.	For each of Directors and KMP	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	-	-	-	-
1	Shri R. P. Sasmal, Chairman				
	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*	0.00	01*	0.00
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*	0.00	01*	0.00
3	Shri S. Vaithilingam, 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*	0.00	01*	0.00
4	Shri Anil Jain, 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		30,31,04,838		30,31,04,838
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition		174,27,57,136		174,27,57,136
- Reduction				
Net Change	-	174,27,57,136	-	174,27,57,136
Indebtedness at the end of the financial year	-		-	
i) Principal Amount		204,58,61,974		204,58,61,974
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5,26,52,563	-	5,26,52,563
Total (i+ii+iii)	-	209,85,14,537	-	209,85,14,537

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
	Independent Directors	-	-	-	-	-
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors	-	-	-	-	-
	• 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 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/-
(R.P. Sasmal)
Chairman
DIN: 02319702

Date: 29th September, 2017
Place: New Delhi

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 ₹ 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/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	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/-
(R.P.Sasmal)
Chairman
DIN: 02319702

Date: 29th September, 2017
Place: New Delhi

**Balance Sheet** as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	29989223	29938000	-
(b) Capital work-in-progress	5	2085210256	82601443	41317620
(c) Other non-current assets	6	149485944	213922269	-
		2264685423	326461712	41317620
Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	7	329517	19338	18070
(ii) Other current financial assets	8	5257869	-	-
(b) Other current assets	9	8824659	6446	-
		14412045	25784	18070
Total Assets		2279097468	326487496	41335690
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	10500000	500000	500000
(b) Other Equity	11	(28177)	(28177)	(28177)
		10471823	471823	471823
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
i) Borrowings	12	2045861974	303104838	-
(ii) Other non-current financial liability	13	71812856	-	-
		2117674830	303104838	-
Current liabilities				
(a) Financial Liabilities				
(i) Other current financial liabilities	14	138483140	20502820	40863867
(b) Other current liabilities	15	12467675	2408015	-
		150950815	22910835	40863867
Total Equity and Liabilities		2279097468	326487496	41335690

The accompanying notes (1 to 34) form the integral part of financial statements.

As per our report of even date

For **Rakesh Ganesh & Associates**
Firm Regn. No. 020917N**(CA Rakesh Gupta)**
Proprietor
M. No. 506825

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702**(S. Vaithilingam)**
Director
DIN : 07107854Place: New Delhi
Date: 29th June, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations		-	-
II Other Income	16	-	-
III Total Income (I+II)		-	-
IV EXPENSES			
Employee benefits expense		-	-
Finance costs	17	-	-
Depreciation and amortization expense	18	-	-
Other expenses	19	-	-
Total expenses (IV)		-	-
V Profit/(loss) before tax (III- IV)		-	-
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit (Loss) for the period (V-VI)		-	-
VIII Other Comprehensive Income			
IX Total Comprehensive Income for the period (VII+VIII)		-	-
X Earnings per equity share (Par Value ₹ 10/- each)			
(1) Basic (₹)		-	-
(2) Diluted (₹)		-	-

The accompanying notes (1 to 42) form an integral part of financial statements

As per our report of even date
For **Rakesh Ganesh & Associates**
Firm Regn. No. 020917N

For and on behalf of Board of Directors

(CA Rakesh Gupta)
Proprietor
M. No. 506825

(R.P. Sasmal)
Chairman
DIN : 02319702

(S. Vaithilingam)
Director
DIN : 07107854

Place: New Delhi
Date: 29th June, 2017

**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Cash Flow from Operating Activities:		
Net profit/Loss before tax	-	-
Operating Profit/Loss before Working Capital Changes	-	-
Adjustments for Increase/Decrease in:		
- Other Current Financial Liabilities		
- Current Liabilities	128039980	(17953032)
- Non-Current Liabilities	71812856	
- Other Current Asset	(14076082)	(6446)
- Other Non Current Asset	64436325	(213922269)
Net Cash generated / used from/in operating activities.	250213079	(231881747)
B. Cash Flow from Investing Activities:		
- Property, Plant & Equipment and Capital Work in Progress	(2002660036)	(71221823)
Net cash used in investing activities.	(2002660036)	(71221823)
C. Cash Flow from Financing Activities:		
- Share capital	10000000	-
- Loan Raised during the Year	1742757136	303104838
Net cash from financing activities	1752757136	303104838
D. Net change in cash & cash equivalents (A+B+C)	310179	1268
E. Cash and Cash Equivalents at the beginning of the period	19338	18070
F. Cash and Cash Equivalents at the end of the period	329517	19338

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

As per our report of even date
For **Rakesh Ganesh & Associates**
Firm Regn. No. 020917N

For and on behalf of Board of Directors

(CA Rakesh Gupta)
Proprietor
M. No. 506825

(R.P. Sasmal)
Chairman
DIN : 02319702

(S. Vaithilingam)
Director
DIN : 07107854

Place: New Delhi
Date: 29th June, 2017

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

(Amount in ₹)

Particulars	Amount
As at 1st April, 2015	500000
Changes in equity share capital	-
As at 31st March, 2016	500000
Changes in equity share capital	10000000
As at 31st March, 2017	10500000

B. Other Equity

(Amount in ₹)

	Reserves and Surplus	
	Retained Earnings	Total
Balance at 1st April, 2015	(28,177.00)	(28,177.00)
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2016	(28,177.00)	(28,177.00)
Balance at 1st April, 2016	(28,177.00)	(28,177.00)
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2017	(28,177.00)	(28,177.00)

Refer to Note No. 11 for nature and movement of reserve and surplus

As per our report of even date
For **Rakesh Ganesh & Associates**
Firm Regn. No. 020917N

For and on behalf of Board of Directors

(CA Rakesh Gupta)
Proprietor
M. No. 506825

(R.P. Sasmal)
Chairman
DIN : 02319702

(S. Vaithilingam)
Director
DIN : 07107854

Place: New Delhi
Date: 29th June, 2017



Notes to Separate 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, 2017 were approved for issue by the Board of Directors on 29th June, 2017.

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.

The financial statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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 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 rupee, 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

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP 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.

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.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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



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.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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 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 & methodology notified by CERC.

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

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

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rate & methodology as specified in CERC tariff regulation. Leasehold land acquired on perpetual lease is not amortized.

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets 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 group 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 effective rate of interest.

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 derecognized when the obligation under the liability is discharged or cancelled or expires. 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 recognized in profit or 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.

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.

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.

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 CERC tariff regulation.

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.

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.

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 reserves 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 risk, the same is shown under "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 preparations of financial statements require the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the companies' accounting policies.

Estimates and Judgments are periodically evaluated in line with progress of the Project & they are based on historical experience and other factors, including expectations of the future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation			Net Book Value			
	As at 1 st April, 2016	Additions during the year	Sale / Disposal during the year	Adjustment during the year	As at 31 st March, 2017	Upto 31 st Mar, 2016	Additions during the year	Sale / Disposal during the year	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Freehold Land	29938000	-	-	-	29938000	-	-	-	-	29938000	29938000
Office equipment	-	42700	-	-	42700	-	406	-	-	42294	-
Electronic Data Processing & Word Processing Machines	-	12600	-	-	12600	-	3671	-	-	8929	-
Total	29938000	55300	-	-	29933300	-	4077	-	-	29989223	29938000
Previous Year Total	-	29938000	-	-	29938000	-	-	-	-	29938000	-

Note 4/Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation			Net Book Value			
	As at 1 st April, 2015	Additions during the year	Sale / Disposal during the year	Adjustment during the year	As at 31 st March, 2016	Upto 31 st Mar, 2015	Additions during the year	Sale / Disposal during the year	Adjustment during the year	As at 31 st March, 2016	As at 31 st March, 2015
Freehold Land	-	29938000	-	-	29938000	-	-	-	-	29938000	-
Total	-	29938000	-	-	29938000	-	-	-	-	29938000	-

Note:

- a) The company owns 4.079 hectare (4.079 hectare as on 31.03.2016) (Nil hectare as on 01.04.2015) of freehold land amounting to ₹ 29938000 (₹ 29938000 as on 31.03.2016) (₹ Nil as on 01.04.2015) based on available documentation.



Note 5/Capital work-in-progress

(Amount in ₹)

Particulars	As at 1 st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017	As at 31 st March, 2016
Land						
Development of land	10235362		10235362			10235362
Plant & Equipments (including associated civil works)						
a) Transmission		15976581			15976581	
b) Sub-Station	9883302	147394458	9883302		147394458	9883302
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	312893		312893			312893
ii) Expenditure during construction period (net) (Note 20)	62169886	145573771			207743657	62169886
	82601443	308944810	20431557		371114696	82601443
Construction Stores (Net of Provision)		1714095560			1714095560	
Grand Total	82601443	2023040370	20431557		2085210256	82601443

Note 5/Capital work-in-progress

(Amount in ₹)

Particulars	As at 1 st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2016	As at 31 st March, 2015
Land						
Development of land		10235362			10235362	
Plant & Equipments (including associated civil works)						
Sub-Station		9883302			9883302	
Expenditure pending allocation						
i) Survey, investigation, consultancy & supervision Charges	82883	230010			312893	82883
ii) Expenditure during construction period (net) (Note 20)	41234737	20935149			62169886	41234737
	41317620	41283823			82601443	41317620
Construction Stores (Net of Provision)						
Grand Total	41317620	41283823			82601443	

Note

The company has opted for deemed cost exemption as per Ind AS 101 'First time adoption of Indian Accounting Standard' of Para D7AA. Accordingly carrying value is considered as deemed cost as on the date of transition i.e 1st April 2015.

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

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Costruction Stores			
Conductors	14225347	-	-
Other Line Materials	9387032	-	-
Sub-Station Equipments	1690483181	-	-
	1714095560	-	-
Less: Provision for shortages and obsolete material			
TOTAL	1714095560	-	-
Construction Stores include:			
Material with Contractors			
Conductors	14225347	-	-
Other Line Materials	9387032	-	-
Sub-Station Equipments	1690483181	-	-
Total	1714095560	-	-
Grand total	1714095560	-	-

Note 6 / Other non-current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances for Capital Expenditure			
Against bank guarantees	141547307	205983632	-
Advances recoverable in cash or in kind or for value to be received			
Balance with Customs Port Trust and other authorities	7938637	7938637	-
TOTAL	149485944	213922269	-

Note 7 / Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Balance with banks-			
- In Current accounts	329517	19338	18070
Total	329517	19338	18070

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016:-

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total (₹)
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL



Note 8 / Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2015	As at 1 st April, 2015
Others *	5,257,869	-	-
Total	5,257,869	-	-

* Others includes amount recoverable from contractors.

Note 9 / Other current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2015	As at 1 st April, 2015
Advances recoverable in cash or in kind or for value to be received			
Balance with Customs Port Trust and other authorities	8824659	-	-
Others	-	6446	-
Total	8824659	6446	-

Note 10 / Equity Share capital

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2015	As at 1 st April, 2015
Equity Share Capital			
Authorised			
5000000 (31 st March 2016, 5000000, 1 st April 2015, 5000000) equity shares of ₹ 10/- each at par	5000000	5000000	5000000
Issued, subscribed and paid up			
1050000 (31 st March 2016, 50000, 1 st April 2015, 50000) equity shares of ₹ 10/-each at par fully paid up Share Capital deposit	1050000	500000	500000
Total	1050000	500000	500000

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, 2017		For the year ended 31 st March, 2016	
	No. of Shares	Amount (in ₹)	No. of Shares	Amount (in ₹)
Shares outstanding at the beginning of the year	50000	500000	50000	500000
Shares Issued during the year	1000000	10000000		
Shares bought back during the year	-			
Shares outstanding at the end of the year	1050000	10500000	50000	500000

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, 2017		As at 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Ltd.	1050000	100%	50000	100%	50000	100%

Note 11 / Other Equity

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Retained Earnings			
As per last balance sheet	(28177)	(28177)	(28177)
Closing Balance	(28177)	(28177)	(28177)
TOTAL	(28177)	(28177)	(28177)

Note 12 / Borrowings

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Unsecured			
Loan from Power Grid Corporation of India Ltd. (Holding Company)	2045861974	303104838	-
TOTAL	2045861974	303104838	-

Note:

Inter Corporate loan is provided by the holding company Power Grid Corporation of India Ltd. at the Rate of interest which varies from 7.20% to 8.40% repayable in 10 to 20 years after the moratorium of 3 to 5 year.

Note 13 / Other Non-current financial liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Other liabilities			
Deposits / Retention money from contractors and others.	71812856	-	-
Total	71812856	-	-

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. 21.



Note 14 / Other Current Financial Liability

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Interest accrued but not due on borrowings from			
Loan from Power Grid Corporation of India Ltd. (Holding Company)	52652563	-	-
B) Others			
i) Dues for capital expenditure	85710376	20482619	40863867
ii) Deposits/Retention money from contractors and others.	20201	20201	-
iii) Other Liabilities	100000	-	-
	85830577	20502820	40863867
Total	138483140	20502820	40863867

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. 21.

Note 15 / Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	12467675	2408015	-
Total	12467675	2408015	-

Note 16 / Other income

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Fair Value gain on initial recognition of Financial liability	9461407	-
Total	9461407	-
Less: Income transferred to expenditure during construction (Net)-Note 20	9461407	-
TOTAL	-	-

Note 17 / Finance costs

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
i) Interest and finance charges on financial liabilities at amortised cost		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	59503786	16002115
ii) Unwinding of discount on financial liabilities	155773	-
iii) Others- Bank Charges	-	898
Total	59659559	16003013
Less: Transferred to Expenditure during Construction (Net)-Note 20	59659559	16003013
TOTAL	-	-

Note 18 / Depreciation and amortization expense

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	4077	-
Total	4077	-
Less: Transferred to Expenditure During Construction (Net)-Note 20	4077	-
TOTAL	-	-

Note 19 / Other expenses

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Power charges	1468247	985,040
Legal expenses	-	22,800
Professional charges (Including TA/DA)	93320992	2,952,052
Travelling & Conv.exp. (excluding foreign travel)	-	199,499
Audit Fees	40000	35,642
Advertisement and publicity	-	80,396
Printing and stationery	-	46,840
Brokerage & Commission	-	5,200
Miscellaneous expenses	42303	104,667
Rates and taxes	500000	500000
Total	95371542	4932136
Less: Transferred to Expenditure during Construction (Net)-Note 20	95371542	4932136
TOTAL	-	-

Note 20 / Expenditure during Construction (Net)

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Other Expenses		
Power charges	1468247	985040
Legal expenses	-	22800
Professional charges (Including TA/DA)	93320992	2952052
Travelling & Conv. exp. (Including Foreign Travel)	-	199499
Payment to Auditors	40000	35642
Advertisement and Publicity	-	80396
Printing and stationery	-	46840
Brokerage and commission	-	5200
Miscellaneous expenses	42303	104667
Rates and taxes	500000	500000
Total (A)	95371542	4932136



B. Depreciation/Amortisation	4077	-
C. Finance Costs		
Interest on Loan from Power Grid Corporation of India Ltd. (Holding Co.)	59503786	16002115
Unwinding of discount on financial liabilities	155773	-
Others- Bank Charges	-	898
Total (C)	59659559	16003013
D. Less: Other Income		
Fair Value gain on initial recognition of Financial liability	9461407	-
Total (D)	9461407	-
GRAND TOTAL (A+B+C-D)	145573771	20935149

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:

(Amount in ₹)

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	Nil	Nil
	Interest	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

22: There are no employees on the payroll of the company.

23: Borrowing Cost Capitalized during the year ₹ 59659559 (PY ₹ 16003013) in the respective carrying amount of Property, Plant & Equipment/ Capital Work in Progress (CWIP) as per Ind AS 27 "Borrowing Costs"

24: Fair Value Measurement

(Amount in ₹)

	31 st March 2017		31 st March 2016		01 st April 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & Cash Equivalents		329517		19338		18070
Other Financial Assets		5257869		-		-
Total financial assets	-	5587386	-	19338	-	18070
Financial Liabilities						
Borrowings		2098514537		303104838		-
Other Financial Liabilities	-	157643433	-	20502820	-	40863867
Total financial liabilities	-	2256157970	-	323607658	-	40863867

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

(Amount in ₹)

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		-	2069052510	-	2069052510
Other financial liabilities		-	157643433	-	157643433
Total financial liabilities		-	2226695943	-	2226695943

At 31 March 2016					
Financial assets		-	-	-	-
Total financial assets		-	-	-	-
Financial Liabilities					
Borrowings		-	314214567	-	314214567
Other financial liabilities		-	20502820	-	20502820
Total financial liabilities		-	334717387	-	334717387
At 31 March 2015					
Financial assets		-	-	-	-
Total financial assets		-	-	-	-
Financial Liabilities					
Borrowings		-	-	-	-
Other financial liabilities		-	40863867	-	40863867
Total financial liabilities		-	40863867	-	40863867

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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 recognize 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

(Amount in ₹)

	31 st March 2017		31 st March 2016		1 st April 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-
Financial Liabilities						
Borrowings	2098514537	2069052510	303104838	314214567	-	-
Other financial liabilities	157643433	157643433	20502820	20502820	40863867	40863867
Total financial liabilities	2256157970	2226695943	323607658	334717387	40863867	40863867

The carrying amounts of cash and cash equivalents, other current 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.

25. Related party Transactions

(a) Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31 st Mar 2017 Holding Company	31 st Mar 2016 Holding Company	01 st Apr 2015 Holding Company
Powergrid Corporation of India Limited	India- Holding Company	100%	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31 st Mar 2017	31 st Mar 2016	01 st Apr 2015
Powergrid Vizag Transmission Limited	India-Fellow Subsidiary	-	-	-
Powergrid NM Transmission Limited	India-Fellow Subsidiary	-	-	-
Powergrid Unchahar Transmission Limited	India-Fellow Subsidiary	-	-	-
Powergrid Jabalpur 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	-	-	-
Power System Operation Corporation Limited *	India-Fellow Subsidiary	-	-	-
Grid Conductors Limited	India-Fellow Subsidiary	-	-	-
Medinipur Jeerat Transmission Limited **	India-Fellow Subsidiary	-	-	-

* Ceased to be subsidiary of Holding company w.e.f. 02/01/2017.

** 100% equity in Medinipur Jeerat Transmission Limited acquired by holding company on 28/03/2017.

(c) Joint Ventures of Holding Company

Name of entity	Place of business/ country of incorporation/ Relationship	Proportion of Ownership Interest		
		31 st Mar 2017	31 st Mar 2016	01 st Apr 2015
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	-	-	-
Energy Efficiency Services 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	-	-	-

* Ceased to be Joint Venture of Holding company w.e.f. 25/04/2016

(d) Key Management Personnel

Sl. No.	Name	Designation
1	Shri R. P. Sasmal	Chairman
2	Shri D K Valecha	Director
3	Shri Anil Jain	Director
4	Shri S Vaithilingam	Director
5	Shri Anil Sharma	CEO

(e) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016
Services received by the Company		
Holding Company		
Power Grid Corporation of India Ltd.	93311392	2942052
Total	93311392	2942052

(f) Equity

(Amount in ₹)

Equity from Holding Company	31 st March, 2017	31 st March, 2016
Power Grid Corporation of India Ltd.	10000000	-
Total	10000000	-

(g) Interest on Loan

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016
Holding		
Power Grid Corporation of India Ltd.	59503786	16002115
Total	59503786	16002115

**(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:

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Payables			
Holding Company			
Power Grid Corporation of India Ltd.	138322937	14774470	40830159
Total payables to related parties	138322937	14774470	40830159

(i) Loans to/from related parties

(Amount in ₹)

Loans from Holding Company	31 st March, 2017	31 st March, 2016	1 st April, 2015
Power Grid Corporation of India Ltd.	2045861974	303104838	-
Total	2045861974	303104838	-

(j) Interest accrued on Loan

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Holding			
Power Grid Corporation of India Ltd.	52652563	-	-
Total	52652563	-	-

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 Commitment

(Amount in ₹)

Particulars	As at 31 st Mar 17	As at 31 st Mar 16	As at 01 st Apr 15
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	93,42,00,000	238,83,00,000	227,10,00,000

28. Contingent Liabilities and Contingent Assets

There is no Contingent Liability/Assets as on 31st March 2017 (Nil 31st March 2016, Nil 1st April 2015)

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, 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 2017 and 31 March 2016.

b) Dividends

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

30. Earnings per share

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016
(a) Basic and diluted earnings per share attributable to the equity holders of the company from continuing operations	-	-
(b) Reconciliation of earnings used in calculating earnings per share Earnings attributable to the equity holders of the company	-	-

(Amount in ₹)

(a) Weighted average number of shares used as the denominator	31 st March, 2017	31 st March, 2016
	No. of Shares	No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	880137	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	880137	50000

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.

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.

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

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

There is no trade receivable as on 31st March 2017 (Previous Year Nil)

(ii) Other Financial Assets (excluding trade receivables)

- Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 329517 (31st March 2016: ₹ 19338, 1st April, 2015: ₹ 18070). The cash and cash equivalents are held with public 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:

(Amount in ₹)

Particulars	31 st March 2017	31 st March 2016	1 st April 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Cash and cash equivalents	329517	19338	18070
Other current financial assets	5257869	Nil	Nil
Total	5587386	19338	18070
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	Nil	Nil	Nil

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 (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

There are no trade receivables as on reporting date, therefore no loss allowance is measured.

(c) Ageing analysis of trade receivables

There are no trade receivables as on reporting date, therefore ageing analysis of the trade receivables 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 table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2017				
Borrowings (including interest outflows)	145707110	1692500738	1424036711	3262244559
Other financial liabilities	85830577	71812856	-	157643433
Total	231537687	1764313594	1424036711	3419887992
31 March 2016				
Borrowings (including interest outflows)	22841263	154458015	365924978	543224255
Other financial liabilities	20502820	-	-	20502820
Total	43344083	154458015	365924978	563727075
01 April 2015				
Borrowings (including interest outflows)	-	-	-	-
Other financial liabilities	40863867	-	-	40863867
Total	40863867	-	-	40863867

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.

32. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

**33. First time adoption of IND AS****Transition to IND AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has to adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

There is no impact of Ind AS on the opening balance sheet as on 1st April 2015 and 31st March 2016 so there is no change in the Other Equity as on 31st March, 2016 and 1st April, 2015, total comprehensive Income and cash flow statement for the year ended 31st March, 2016 as Per Ind AS and previous GAAP.

34. Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date
For **Rakesh Ganesh & Associates**
Firm Regn. No. 020917N

For and on behalf of Board of Directors

(CA Rakesh Gupta)
Proprietor
M. No. 506825

(R.P. Sasmal)
Chairman
DIN : 02319702

(S. Vaithilingam)
Director
DIN : 07107854

Place: New Delhi
Date: 29th June, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **POWERGRID KALA AMB TRANSMISSION LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of the **POWERGRID KALA AMB TRANSMISSION LIMITED** ("the Company"), which comprise Balance Sheet as at March 31, 2017, the statement of Profit and Loss Account (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of change in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the 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, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with 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 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 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 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 31 March, 2017, its 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 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 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), the statements of Cash Flows, and the Statement of Changes in equity dealt with by this report are in agreement with books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder;
- e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
- f) With respect to the adequacy of the internal financial controls over financial reporting 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 does not have any pending litigations which would impact its financial position;
 - (ii) The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (iii) There are no due amounts to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the Ind AS Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from 08th November 2016 to 30th December 2016 and these are in accordance to the Books of Accounts maintained by the Company. Refer Note 7 to the Ind AS Financial Statements.

For Rakesh Ganesh & Associates

Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta

Proprietor
Membership No. 506825
Place : New Delhi
Date : 29th June, 2017

Annexure '1' to the Auditors Report

As referred to in our Independent Auditors' Report to the members of the **Powergrid Kala Amb Transmission Limited**, on the Ind AS financial statements for the year ended 31st March, 2017, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant & Equipment).
 - (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) The Company does not have any 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) The company has not accepted any deposits during the year.
- (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 the Company is yet to commence commercial operations and accordingly clause 3(vi) of the Order is not applicable to the company.
- (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 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 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 Ind AS 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. 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 188 of Companies Act, 2013 and the relevant details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards and the Companies Act, 2013.
- (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 Rakesh Ganesh & Associates

Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta

Proprietor
Membership No. 506825

Place : New Delhi
Date : 29th June, 2017

Annexure '2' to the Auditors Report

As referred to in our Independent Auditors' Report to the members of the **Powergrid Kala Amb Transmission Limited**, on the Ind AS financial statements for the year ended 31st March, 2017.

S. No.	Directions	Auditors' Comments	Action taken by management	Impact on financial statements
1.	Whether the company has clear title / lease deeds for freehold, leasehold land & building and flats? If not, please state the area of the freehold, leasehold land and buildings/flats for which title / lease deeds are not available.	Yes, the Company has clear title For freehold land.	No Action Required	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.	According to the information and representations provided to us, there are no cases of waiver / write off of debts / loans / interest etc during the financial year.	No Action Required	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 and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities.	Proper records are maintained	Nil

For Rakesh Ganesh & Associates

Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta

Proprietor
Membership No. 506825

Place : New Delhi
Date : 29th June, 2017



As referred to in our Independent Auditors' Report to the members of the **Powergrid Kala Amb Transmission Limited**, on the Ind AS financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls in terms of 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 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 Rakesh Ganesh & Associates

Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta

Proprietor
Membership No. 506825

Place : New Delhi
Date : 29th June, 2017

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **Powergrid Kala Amb Transmission Limited** for the year ended 31st March, 2017 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 Rakesh Ganesh & Associates

Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta

Proprietor
Membership No. 506825

Place : New Delhi
Date : 29th June, 2017

POWERGRID PARLI TRANSMISSION LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40109DL2014GOI269652)

ANNUAL REPORT - 2016-17

POWERGRID PARLI TRANSMISSION LIMITED

CIN: U40109DL2014GOI269652

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

Tel: 011-26560121.Fax:011-26601081

THIRD ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Third Annual General Meeting of POWERGRID Parli Transmission Limited [formerly Gadarwara (B) Transmission Limited] will be held on Friday, 29th September, 2017 at 12 Noon at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Reports of Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri R.P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"Resolved that pursuant to provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri V.K. Khare (DIN: 07932173) who was appointed as an Additional Director of the Company as per the provisions of Section 161(1) of the Companies Act, 2013 read with clause 75 of Articles of Association and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

By order of the Board
For POWERGRID Parli Transmission Limited

sd/
S. Vaithilingam
Director
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017

NOTES:

1. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Meeting is called at a shorter notice, thus the members are requested to give their consent for the same in the attached Form.
4. POWERGRID Parli Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 ("the Act"). Pursuant to the section 139(5) of the Act, the auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 2nd Annual General Meeting held on 30th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the financial year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and local travel expenses and other incidental out of pocket expenses.
5. The members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the financial year 2017-18, after taking into consideration the volume of work and prevailing inflation.



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Shri V.K. Khare (DIN: 0007932173), was appointed as an Additional Director on the Board of POWERGRID Parli Transmission Limited {formerly Gadarwara (B) Transmission Limited}, w.e.f 07.09.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 & clause 75 of Articles of Association. In terms of the provisions of Companies Act, 2013, Shri V.K. Khare holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri V.K. Khare for the office of Director. Shri V.K. Khare, if appointed, will be liable to retire by rotation.

Shri V.K. Khare, aged nearly 58 years, is Executive Director (WR-I) of Power Grid Corporation of India Limited and nominated as Director in your Company w.e.f. 07.09.2017. He holds a Bachelor Degree in Electrical Engineering.

None of the Directors of the Company or their relatives except Shri V.K. Khare is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri V. K. Khare, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution for your approval.

By order of the Board
For POWERGRID Parli Transmission Limited

sd/
S. Vaithilingam
Director
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017

DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Third Annual Report of POWERGRID Parli Transmission Limited {formerly Gadarwara (B) Transmission Limited} on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2017.

POWERGRID Parli Transmission Limited {formerly Gadarwara (B) Transmission Limited} was acquired /taken over by 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). Consequent to such acquisition, PPTL became wholly owned subsidiary of POWERGRID. 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 has been granted transmission license by CERC in July, 2015. The Project is under progress and expected to be completed in Januray, 2018.

Financial Performance

As on 31st March, 2017, the Company has not yet started commercial operations as the project is under execution. The expenditure of ₹ 482,19,13,140/- 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, 2017 of the Company were ₹ 20 crore and ₹ 10 lac respectively.

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.

Fixed 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.

Director's Responsibility Statement

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the Directors had prepared the Annual Accounts on a going concern basis; and
- 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, 2017, the Board comprised four Directors viz. Shri. R. P. Sasmal, Shri D.K. Valecha, Shri S. Vaithilingam and Shri. S. K. Gupta. There is no change in the composition of Board of Directors during the year.

Subsequently, Shri. V.K. Khare has been appointed as Additional Director w.e.f. 07.09.2017 who holds 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. V.K. Khare as Director, liable to retire by rotation in the ensuing Annual General Meeting.

Also, Shri S. K. Gupta ceased to be Director of the Company w.e.f. 06.09.2017.

In accordance with the provisions of the Companies Act, 2013, Shri R.P. Sasmal 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.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, thirteen (13) meetings of Board of Directors were held on 01.04.2016, 11.04.2016, 23.05.2016, 02.06.2016, 05.07.2016, 11.07.2016, 20.07.2016, 19.08.2016, 19.09.2016, 30.09.2016, 27.12.2016, 16.03.2017 and 30.03.2017. The detail of number of meetings attended by each Director during the financial year 2016-17 are as under:

Name of Director	Designation	Board Meeting attendance during 2016-17
Shri R.P. Sasmal	Chairman	13
Shri D.K. Valecha	Director	12
Shri S. Vaithilingam	Director	13
Shri S.K. Gupta	Director	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 30th March, 2017. The Audit Committee comprises three members viz. Shri S. Vaithilingam, Shri D.K. Valecha and Shri S.K. Gupta as its members with Shri S. Vaithilingam as Chairman. During the year, no meeting of Audit committee was held.

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 30th March, 2017. The NRC comprises three members viz. Shri D.K. Valecha, Shri S. Vaithilingam and Shri S.K. Gupta as its members with Shri D.K. Valecha as Chairman. During the year, no meeting of NRC was held.

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.

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.

Statutory Auditors

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

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.

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

Comptroller and Auditor General vide letter dated 3rd August, 2017 has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2017 and as such have no comments to make under section 143(6)(b) of the Companies Act, 2013. Copy of letter dated 3rd August, 2017 of 'NIL' comments received from C&AG is placed at **Annexure-III** to this report.

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
For POWERGRID Parli Transmission Limited

sd/
(R. P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi
Date: 18th September, 2017



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 arms length transaction under third proviso thereto.

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

S I . 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.

S I . 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 ₹ 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 service tax 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	09.06.2015 & 27.12.2016 [for Part (A)], 29.02.2016 [for Part (B)]
f	Amount paid as advances, if any	-

For and on behalf of
For POWERGRID Parli Transmission Limited

sd/
(R. P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi
Date: 18th September, 2017

POWERGRID PARLI 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	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	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.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)*	L40101DL1989GOI038121	HOLDING COMPANY	100%	2(46)

*HOLDING COMPANY ON & FROM 24.04.2015.

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*	0.012	-	6*	6*	0.006	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	99994	99994	99.994	100.01
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	50000\$	50000\$	100	0	100000\$	100000\$	100	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-



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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	-	100000	100000	100	100%

Notes:-

\$ Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with Gadawara STPS (2 x 800 MW) of NTPC (Part-B). Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of ₹ 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	49994	99.988	-	99994	99.994	-	100.01
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.002	-	01	0.001	-	-
3.	Shri R.T. Agarwal jointly with POWERGRID*	01	0.002	-	-	-	-	100
4.	Shri Ravi P. Singh jointly with POWERGRID	01	0.002	-	01	0.001	-	-
5.	Shri R. P. Sasmal jointly with POWERGRID	01	0.002	-	01	0.001	-	-
6.	Shri D. K. Valecha jointly with POWERGRID	01	0.002	-	01	0.001	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0.001	-	-
8.	Shri Ranjan Kumar Shrivastava jointly with POWERGRID*	-	-	-	01	0.001	-	100
	Total	50000	100	-	100000	100	-	-

*01 Equity share held by Shri R. T. Agarwal (jointly with POWERGRID) transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016.

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):	1. 50000 Equity Shares of ₹ 10/- each were allotted to POWERGRID on 02.06.2016 in terms of Section 62(1) of the Companies Act, 2013. 2. 01 Equity share held by Shri R.T. Agarwal (jointly with POWERGRID) was transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016. (May please also refer information provided under Sr. No. IV (ii) above).			
	At the End of the year	100000	100	100000	100

\$ 100000 shares w.e.f. 02.06.2016 upon allotment of 50000 Equity shares to POWERGRID

Note :

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System, associated with Gadawara STPS (2 x 800 MW) of NTPC (Part-B). Pursuant to such selection and in accordance with the provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL) [the bid process coordinator], the Company and POWERGRID, 50,000 equity shares of ₹ 10/- each held in the Company by POWERGRID & its nominees jointly with POWERGRID on 24.04.2015.



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

Sr. No.	For each of Top ten shareholders	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	-	-	-	-
	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.	For each of Directors and KMP	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				
1	Shri R. P. Sasmal, Chairman				
	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**	0.001	01**	0.001
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**	0.001	01**	0.001
3	Shri S. Vaithilingam, 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**	0.001	01**	0.001
4	Shri S. K. 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	-	-	-	-

*Ceased to be Director w.e.f. 06.09.2017.

\$ 0.001% w.e.f. 02.06.2016 upon allotment of 50000 Equity shares to POWERGRID.

**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	-	52,750,000	-	52,750,000
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	52,750,000	-	52,750,000
Change in Indebtedness during the financial year				
- Addition	-	440,11,75,560	-	440,11,75,560
- Reduction	-	-	-	-
Net Change	-	440,11,75,560	-	440,11,75,560
Indebtedness at the end of the financial year				
i) Principal Amount	-	445,39,25,560	-	44,53,925,560
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	99,873,257	-	99,873,257
Total (i+ii+iii)	-	455,37,98,817	-	455,37,98,817

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
	Independent Directors	-	-	-	-	-
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors	-	-	-	-	-
	• 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 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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of
For POWERGRID Parli Transmission Limited

sd/
(R. P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi
Date: 18th September, 2017



ANNEXURE - III THE DIRECTORS' REPORT

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 2017

The preparation of financial statements of Powergrid Parli Transmission Limited, for the year ended 31 March 2017 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 auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are 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 07 July 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial Powergrid Parli Transmission Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

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

Sd/-

(Ritika Bhatia)

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi**

Place : New Delhi

Date : 03 August, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	41,390,702	-	-
(b) Capital Work-in-Progress	5	5,062,846,815	240,933,675	186,630,195
(c) Other Non-Current Assets	6	563,406,120	25,000	-
		5,667,643,637	240,958,675	186,630,195
Current assets				
Financial Assets				
(i) Cash and Cash Equivalents	7	7,670,356	5,557,775	19,550
(ii) Other Current Financial Assets	8	123,616	-	-
		7,793,972	5,557,775	19,550
Total Assets		5,675,437,609	246,516,450	186,649,745
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	9	1,000,000	500,000	500,000
(b) Other Equity	10	(2,461)	(33,329)	(33,329)
		997,539	466,671	466,671
Liabilities				
Non-current liabilities				
(i) Borrowings	11	4,453,925,560	52,750,000	-
(ii) Other Non-Current Financial Liability	12	171,622,671	-	-
		4,625,548,231	52,750,000	-
Current liabilities				
(a) Financial Liabilities				
(i) Trade Payables	13	-	18,000	-
(ii) Other Current Financial Liability	14	1,020,934,376	188,762,359	171,159,830
(b) Other Current Liabilities	15	27,914,463	4,519,420	15,023,244
(c) Provisions	16	43,000	-	-
(d) Current Tax Liabilities (Net)	17	-	-	-
		1,048,891,839	193,299,779	186,183,074
Total Equity and Liabilities		5,675,437,609	246,516,450	186,649,745

The accompanying Notes (1 to 38) 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: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854

**Statement of Profit and Loss** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations		-	-
II Other Income	18	44,672	-
III Total Income (I+II)		44,672	-
IV EXPENSES			
Finance Costs	19	-	-
Depreciation and Amortization Expense		-	-
Other Expenses	20	-	-
Total Expenses (IV)		-	-
V Profit/(Loss) Before Tax (III- IV)		44,672	-
VI Tax Expense:			
(1) Current Tax		13,804	-
(2) Deferred Tax		-	-
		13,804	-
VII Profit (Loss) for the Period (V-VI)		30,868	-
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period (VII+VIII)		30,868	-
X Earnings per Equity Share (Par Value ₹ 10 each)			
(1) Basic (₹)		0.34	-
(2) Diluted (₹)		0.34	-

The accompanying Notes (1 to 38) 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: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) Before Tax	44,672	-
Operating Profit /(Loss) before Working Capital Changes	44,672	-
Adjustments For :-		
(Increase)/Decrease in Other Non-Current Assets	(563,381,120)	(25,000)
(Increase)/Decrease in Other Current Financial Assets	(123,616)	-
Increase/(Decrease) in Trade Payable	(18,000)	18,000
Increase/(Decrease) in Other Current Liabilities	23,395,043	(10,503,824)
Increase/(Decrease) in Other Current Financial Liabilities	832,172,017	17,602,529
Increase/(Decrease) in Other Financial Liabilities	171,622,671	-
Increase/(Decrease) in Provisions	43,000	-
Cash Generated From Operations	463,754,667	7,091,705
Income Tax Paid	(13,804)	-
Net Cash from Operating Activities	463,740,863	7,091,705
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in Progress and Property Plant & Equipments	(4,863,303,842)	(54,303,480)
Net Cash used in Investing Activities	(4,863,303,842)	(54,303,480)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	500,000	-
Long Term Loan From Power Grid Corp. of India Ltd.	4,401,175,560	52,750,000
Net Cash from Financing Activities	4,401,675,560	52,750,000
D Net Change in Cash and Cash Equivalents (A+B+C)	2,112,581	5,538,225
E Cash and Cash Equivalents (Opening Balance)	5,557,775	19,550
F Cash and Cash Equivalents (Closing Balance) (D+E)	7,670,356	5,557,775

The accompanying Notes (1 to 38) 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: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854



Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

Particulars	(Amount in ₹)
As at 1st April, 2015	500,000.00
Changes in equity share capital	-
As at 31st March, 2016	500,000.00
Changes in equity share capital	500,000.00
As at 31st March, 2017	1,000,000.00

B. Other Equity

	Reserves and Surplus				Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st April, 2015	-	-	-	-	(33,329)	-	(33,329)
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(33,329)	-	(33,329)
Balance at 31st March, 2016	-	-	-	-	(33,329)	-	(33,329)
Total Comprehensive Income for the year	-	-	-	-	30,868	-	30,868
Transfer to Self Insurance Reserve	-	-	30,868	-	(30,868)	-	-
Other Changes	-	-	-	-	-	-	-
Balance at 31st March, 2017	-	-	30,868	-	(33,329)	-	(2,461)

(Amount in ₹)

Refer to Note 10 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: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854

Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Parli 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, India. It is principally engaged in implementation, operation and maintenance of Transmission Lines & Sub-Stations.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 07.07.2017

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 thereof.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of Measurement

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

iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupee, 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

Measurement on Transition to Ind AS

On the date of transition to Ind AS, the company has considered the carrying value of Property, Plant and Equipment as per Previous GAAP to be the deemed cost as per Ind AS 101 'First Time Adoption of Indian Accounting Standard'

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, 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.

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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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.

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.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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 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 CERC.

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

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

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

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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 and other Financial Assets.

Classification

The Company classifies its financial assets 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 group 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 effective rate of interest.

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 derecognized when the obligation under the liability is discharged or cancelled or expires. 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 recognized in profit or 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.

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.

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.

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 entered between the Transmission Service Provider and the Long Term Transmission Customers.

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.

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.

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. The same 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".

3. Critical Estimates and Judgements

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 of applying the company's accounting policies.

Estimates and judgements are continually evaluated in line with progress of the project and 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 4/Property, Plant and Equipment

(Amount in ₹)

Particulars	Cost			Accumulated depreciation			Net Book Value				
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Land											
Freehold	-	41,390,702	-	-	41,390,702	-	-	-	-	41,390,702	-
Total	-	41,390,702	-	-	41,390,702	-	-	-	-	41,390,702	-
Previous Year Total	-	-	-	-	-	-	-	-	-	-	-

Further Note - The Company owns 27.11 Hectare (Nil Hectare as on 31.03.2016) (Nil Hectare as on 01.04.2015) of Freehold Land amounting to ₹ 4,13,90,702/- (₹ Nil as on 31.03.2016) (₹ Nil as on 01.04.2015).

Note 5/Capital work-in-progress

(Amount in ₹)

Particulars	As at 1 st April 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March 2017
Land					
Development of land	246,702	41,144,000	-	41,390,702	-
Buildings					
Sub-Stations & Office	-	20,491,533	-	-	20,491,533
Plant & Equipments (including associated civil works)					
a) Transmission	186,630,195	2,677,915,631	-	-	2,864,545,826
b) Sub-Station	-	2,568,860	-	-	2,568,860
Construction Stores	-	1,770,016,306	-	-	1,770,016,306
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 21)	54,056,778	351,167,512	-	-	405,224,290
Total	240,933,675	4,863,303,842	-	41,390,702	5,062,846,815

Note 5/Capital work-in-progress

(Amount in ₹)

Particulars	As at 1 st April 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March 2016
Land					
Development of land	-	246,702	-	-	246,702
Buildings					
Sub-Stations & Office	-	-	-	-	-
Plant & Equipments (including associated civil works)					
a) Transmission	186,630,195	-	-	-	186,630,195
Construction Stores	-	-	-	-	-
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 21)		54,056,778			54,056,778
Total	186,630,195	54,303,480	-	-	240,933,675

Further Note - The Company has opted for Deemed Cost Exemption as per Para D7AA of Ind AS 101 "First Time Adoption of Indian Accounting Standards". Accordingly Carrying Value is considered as Deemed Cost as on the Date of Transition i.e. 1st April 2015.



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

(At Cost)

(Amount in ₹)

Particulars	As at	As at	As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Costruction Stores			
Towers	896,702,744	-	-
Conductors	767,234,456	-	-
Other Line Materials	103,004,448	-	-
Sub-Station Equipments	38,092	-	-
Unified Load Despatch & Communication (ULDC) Materials	3,036,566	-	-
TOTAL	1,770,016,306	-	-
Construction Stores include:			
i) Material in Transit			
Other Line Materials	28,752,241	-	-
Total	28,752,241	-	-
ii) Material with Contractors			
Towers	896,702,744	-	-
Conductors	767,234,456	-	-
Other Line Materials	74,252,207	-	-
Sub-Station Equipments	38,092	-	-
Unified Load Despatch & Communication (ULDC) Materials	3,036,566	-	-
Total	1,741,264,065	-	-
Grand Total	1,770,016,306	-	-

Note 6 / Other Non-current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

	As at 31 st	As at 31 st March,	As at 1 st April,
	March, 2017	2016	2015
A) Advances for Capital Expenditure			
Against Bank Guarantees	562,083,210	-	-
B) Security Deposits	25,000	25,000	-
C) Advances recoverable in cash or in kind or for value to be received			
Advance tax and Tax deducted at source	1,311,714		
Less: Current Tax	13,804		
	1,297,910	-	-
TOTAL	563,406,120	25,000	-

Note 7 / Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Balance with banks-			
- In Current accounts	7,670,356	5,557,775	19,550
Total	7,670,356	5,557,775	19,550

Further Note -**Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016**

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total (₹)
Closing Cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	Nil	Nil
(-) Amount deposited in banks	Nil	Nil	Nil
Closing Cash in Hand as on 30.12.2016	Nil	Nil	Nil

Note 8 / Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Others Receivable	123,616	-	-
Total	123,616	-	-

Note 9/Equity Share capital

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Equity Share Capital			
Authorised			
2,00,00,000 (31.03.2016 - 2,00,00,000) (01.04.2015 - 50,000) equity shares ₹ 10/- each at par	200,000,000	200,000,000	500,000
Issued, subscribed and paid up			
1,00,000 (31.03.2016 - 50,000) (01.04.2015 - 50,000) Equity shares of ₹ 10/- each at par fully paid up	1,000,000	500,000	500,000
Total	1,000,000	500,000	500,000



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, 2017		For the year ended 31 st March, 2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	50,000	500,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	100,000	1,000,000	50,000	500,000

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, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares #	% of holding	No. of Shares #	% of holding	No. of Shares #	% of holding
i) Power Grid Corporation of India Limited	100000	100%	50000	100%		
ii) REC Transmission Projects Co. Ltd.					50000	100%

Out of 1,00,000 (50,000 in 31.03.2016) Equity Shares, 6 Equity Shares are Held by Nominees of M/s Power Grid Corporation of India Ltd on its behalf. Out of 50,000 Equity Shares in 01.04.2015, 6 Equity Shares are Held by Nominees of M/s REC Transmission Projects Co. Ltd. on its behalf.

Note 10 / Other Equity

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Reserve & Surplus			
(i) Self Insurance Reserve #			
Balance at the Beginning of the Year	-		
Additions During The Year	30,868		
Balance at the End of the Year	30,868	-	-
(ii) Retained Earnings			
Balance at the Beginning of the Year	(33,329)	(33,329)	
Net Profit for the Period	30,868	-	(33,329)
Transfer To Self Insurance Reserve	(30,868)		
Balance at the End of the Year	(33,329)	(33,329)	(33,329)
Total	(2,461)	(33,329)	(33,329)

Further Note:

Self Insurance Reserve

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 to mitigate future losses from un-insured risk.

Note 11 / Borrowings

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Term Loan From Others			
Rupee Loans (Unsecured)			
Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.)	4,453,925,560	52,750,000	-
TOTAL	4,453,925,560	52,750,000	-

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 20 Years.

Note 12 / Other Non-current financial Liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Dues for Capital Expenditure	171,622,671	-	-
Total	171,622,671	-	-

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

Note 13/Trade Payables

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
For Goods and Services	-	18,000	-
Total	-	18,000	-

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

Note 14 / Other Current Financial Liability

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Interest accrued but not due on borrowings from			
Related Parties ** - M/s Power Grid Corp. of India Ltd.	99,873,257	-	-
	99,873,257		
B) Others			
i) Dues for Capital Expenditure	489,284,074	188,762,359	171,159,830
ii) Deposits/Retention money from contractors and others.	430,338,163		
iii) Others	1,438,882		
	921,061,119	188,762,359	171,159,830
Total	1,020,934,376	188,762,359	171,159,830

**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

Note 15 / Other Current Liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	27,914,463	4,519,420	15,023,244
Total	27,914,463	4,519,420	15,023,244

Note 16/ Provisions

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Provision Others			
As per Last Balance Sheet	-		
Additions during the year	43,000		
Paid/(Adjustments) during the year	-		
Closing Balance	43,000	-	-
Total	43,000	-	-

Further Note -

Provision includes Other Professional Charges.

Note 17/ Current Tax Liabilities (Net)

(Amount in ₹)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Taxation (Including Interest on Tax)			
As per Last Balance Sheet	-	-	-
Additions During the Year	13,804	-	-
Net Off with Advance Tax Paid (Note 6)	13,804	-	-
Closing Balance	-	-	-

Note 18/Other Income

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Interest from Advances to Contractors	26,785,344	-
FERV Gain	44,672	-
	26,830,016	-
Less: Transferred to Expenditure during Construction (Net)-Note 21	26,785,344	-
Total	44,672	-

Note 19/Finance Costs

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	114,159,961	24,198
	114,159,961	24,198
Less: Transferred to Expenditure during Construction (Net) - Note 21	114,159,961	24,198
TOTAL	-	-

Note 20/Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Professional Charges	21,275	4,600
Consultancy Expenses	260,800,316	51,696,750
Tender expenses	803,967	-
Payments to Statutory Auditors		
Audit Fees	34,500	20,000
Out of Pocket Expenses	1,514	-
	36,014	-
Advertisement and Publicity	1,498,315	-
Printing and stationery		2,155
Books Periodicals and Journals	5,400	-
CERC petition & Other charges	500,000	363,400
Miscellaneous expenses	119,694	-
Rates and Taxes	6,530	1,945,675
Other charges	1,384	-
	263,792,895	54,032,580
Less: Transferred to Expenditure during Construction (Net) - Note 21	263,792,895	54,032,580
Total	-	-

**Note 21/ Expenditure during Construction (Net)**

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Other Expenses		
Professional charges	21,275	4,600
Consultancy expenses	260,800,316	51,696,750
Tender expenses	803,967	-
Payment to Auditors	36,014	20,000
Advertisement and Publicity	1,498,315	-
Printing and stationery	-	2,155
Books,Periodicals and Journals	5,400	-
Miscellaneous expenses	621,078	363,400
Rates and taxes	6,530	1,945,675
Total (A)	263,792,895	54,032,580
B. Finance Costs		
Interest on Term Loans	114,159,961	24,198
Total (B)	114,159,961	24,198
C. Less: Other Income		
Interest from Advance To Contractors	26,785,344	-
Total (C)	26,785,344	-
Grand Total (A+B-C)	351,167,512	54,056,778

Note 22/ Employee Benefit Obligations

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. 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.

Note 23/ Fair Value Measurements

(Amount in ₹)

Financial instruments by category	March 31, 2017		March 31, 2016		April 01, 2015	
	FVOCI	Amortised Cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & Cash Equivalents	-	7,670,356	-	5,557,775	-	19,550
Other Financial Assets	-	123,616	-	-	-	-
Total Financial Assets	-	7,793,972	-	5,557,775	-	19,550
Financial Liabilities						
Borrowings	-	4,553,798,817	-	52,750,000	-	-
Trade Payables	-	-	-	18,000	-	-
Other Financial Liabilities	-	1,092,683,790	-	188,762,359	-	171,159,830
Total Financial Liabilities	-	5,646,482,607	-	241,530,359	-	171,159,830

(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.

(Amount in ₹)

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		-	4,490,917,776	-	4,490,917,776
Other Financial Liabilities		-	1,092,683,790	-	1,092,683,790
Total Financial Liabilities		-	5,583,601,566	-	5,583,601,566

(Amount in Rupee)

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 2016					
Financial Assets		-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities					-
Borrowings		-	51,761,251	-	51,761,251
Other Financial Liabilities		-	188,762,359	-	188,762,359
Total Financial Liabilities	-	-	240,523,610	-	240,523,610



(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 1st April 2015					
Financial Assets		-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities					
Borrowings		-	-	-	-
Other Financial Liabilities		-	171,159,830		171,159,830
Total Financial Liabilities		-	171,159,830	-	171,159,830

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

(Amount in ₹)

	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
At 01 April 2015						
Financial Assets	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-
Financial Liabilities						
Borrowings	4,553,798,817	4,490,917,776	52,750,000	51,761,251	-	-
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	1,092,683,790	1,092,683,790	188,762,359	188,762,359	171,159,830	171,159,830
Total Financial Liabilities	5,646,482,607	5,583,601,566	241,512,359	240,523,610	171,159,830	171,159,830

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.

Note 24/ Earnings Per Share

(Amount in ₹)

	CIN : U40109DL2014GOI269652	
(a) Basic earnings per share attributable to the equity holders of the company	March 31, 2017	March 31, 2016
From Continuing Operations	0.34	-
Total Basic and Diluted earnings per share attributable to the equity holders of the company	0.34	-
	(Amount in ₹)	
(b) Reconciliation of earnings used in calculating earnings per share	March 31, 2017	March 31, 2016
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	30,868	-
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	30,868	-
From Discontinued Operations	-	-
Total Earnings attributable to the equity holders of the company	30,868	-
	(No. of Shares)	
(c) Weighted average number of shares used as the denominator	March 31, 2017	March 31, 2016
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	91,507	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	91,507	50,000

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, securities premium reserve 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.

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.

(Amount in ₹)

	March 31, 2017	March 31, 2016
(a) Income Tax Expense		
Current Tax		
Current Tax on Profits for the year	13,804	-
Total Current Tax Expense	13,804	-
Income Tax Expense	13,804	-

**(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:**

(Amount in ₹)

	March 31, 2017	March 31, 2016
Profit before Income Tax Expense	44,672	-
Tax at the Indian Tax Rate of 30.90% (2015-2016 @ Nil)	13,804	-
Income Tax Expense	13,804	-

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 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.

- Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 76,70,356/ (31 March 2016: ₹ 55,57,775/-, 01.04.2015: ₹ 19,550). 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.

(Amount in ₹)

Contractual Maturities of Financial Liabilities:	Within 1 Year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 Years	Total
March 31, 2017					
Non-Derivatives					
Borrowings	309,675,206	339,170,243	3,098,174,670	4,911,225,928	8,658,246,047
Other Financial Liabilities	921,061,119	171,622,671	-	-	1,092,683,790
Total Non-Derivative Liabilities	1,230,736,325	510,792,914	3,098,174,670	4,911,225,928	9,750,929,837
March 31, 2016					
Non-derivatives					
Borrowings	3,213,873	4,388,800	30,749,733	57,110,667	95,463,073
Trade Payables	18,000	-	-	-	18,000
Other Financial Liabilities	188,740,581	-	-	-	188,740,581
Total Non-Derivative Liabilities	191,972,454	4,388,800	30,749,733	57,110,667	284,221,654
April 01, 2015					
Non-derivatives					
Other Financial Liabilities	171,159,830	-	-	-	171,159,830
Total Non-Derivative Liabilities	171,159,830	-	-	-	171,159,830

(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

Note 28.

- Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-6) & Dues for Capital Expenditure Shown under Other Non-Current Financial Liabilities (Note-12) 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 2017.
- 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.

- FERV Gain of ₹ **44,672/-** (Previous Year ₹ **Nil**) has been recognized in the Statement of Profit and Loss.
- Borrowing Cost of ₹ **11,41,59,961/-** (Previous Year ₹ **24,198/-**) 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:

(Amount in ₹)

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			(Amount in ₹)			
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Trade Payables/ Deposits and Retention Money	USD	129614	Nil	Nil	8795610	Nil	Nil
Unexecuted Amount of contracts remaining to be executed	USD	7231180	Nil	Nil	475305462	Nil	Nil

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-17	31- Mar-16	01-Apr-15
Power Grid Corporation of India Limited	India	100%	100%	0%
REC Transmission Projects Co. Ltd.	India	0%	0%	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-Mar-17	31- Mar-16	01-Apr-15
Powergrid Vizag Transmission Limited	India	-	-	-
Powergrid NM Transmission Limited	India	-	-	-
Powergrid Unchahar Transmission Limited	India	-	-	-
Powergrid Kala Amb Transmission Limited	India	-	-	-
Powergrid Jabalpur Transmission Limited	India	-	-	-
Powergrid Warora Transmission Limited	India	-	-	-
Powergrid Southern Interconnector Transmission Limited	India	-	-	-
Powergrid Vemagiri Transmission Limited	India	-	-	-
Power System Operation Corporation Limited *	India	-	-	-
Grid Conductors Limited	India	-	-	-
Medinipur Jeerat Transmission Limited**	India	-	-	-

* Ceases to be Subsidiary of Holding Co. w.e.f. 02nd January 2017

** 100% Equity in Medinipur Jeerat Transmission Limited acquired by Holding Co. on 28th March 2017.

c) List of Fellow Joint Ventures (JVs of Holding Co.)

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Powerlinks Transmission Limited	India	-	-	-
Torrent Power Grid Limited	India	-	-	-
Jaypee Powergrid Limited	India	-	-	-
Parbati Koldam Transmission Company Limited	India	-	-	-
Teestavalley Power Transmission Limited	India	-	-	-
North East Transmission Company Limited	India	-	-	-
National High Power Test Laboratory Private Limited	India	-	-	-
Energy Efficiency Services Limited **	India	-	-	-
Bihar Grid Company Limited	India	-	-	-
Kalinga Vidyut Prasaran Nigam Private Limited	India	-	-	-
Cross Border Power Transmission Company Limited	India	-	-	-
RINL Powergrid TLT Private Limited	India	-	-	-
Power Transmission Company Nepal Ltd	Nepal	-	-	-

** Ceases to be Joint Venture of Holding Co. w.e.f. 25th April 2016

d) List of Key Management Personnel

Name	Designation
Shri R. P. Sasmal	Chairman
Shri. D. K. Valecha	Director
Shri. S. Vaithilingam	Director
Shri S. K. Gupta	Director

**(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.

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Amount Payable			
Holding Co.			
Power Grid Corporation of India Limited	107620894	188740581	
REC Transmission Projects Co. Ltd.	Nil	Nil	186183074

(f) Investments Received during the year (Equity)**(Amount in ₹)**

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Holding Co.			
Power Grid Corporation of India Limited	500000	Nil	Nil
REC Transmission Projects Co. Ltd.	Nil	Nil	500000

(g) Loans From Related Parties**(Amount in ₹)**

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Holding Co.			
Power Grid Corporation of India Limited	4453925560	52750000	Nil

(h) Interest Accrued on Loan**(Amount in ₹)**

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Holding Co.			
Power Grid Corporation of India Limited	99873257	24198	Nil

(i) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Holding Co.		
Power Grid Corporation of India Limited	260800316	51696750

(j) Interest on Loan**(Amount in ₹)**

Particulars	31 March, 2017	31 March, 2016
Holding Co.		
Power Grid Corporation of India Limited	114159961	24198

Note 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. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

(b) 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

(Amount in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	10507637963	6304978145	Nil

Note 35. Contingent Liabilities and Contingent Assets**Contingent Liabilities**

There is No Contingent Liability As On 31st March 2017 (Nil As On 31st March 2016) in respect of Company which is not acknowledged as debt.

Note 36. Recent Accounting Pronouncements**Standard Issued But Not Yet Effective**

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of Cash Flows':

The Amendment to Ind AS 7 'Statement of Cash Flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 37. First Time Adoption of Ind AS**Transition to IND AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). A Reconciliation from previous GAAP to IND AS is set out below showing how it has affected the Company's Financial Position, Financial Performance and Cash Flows.

Reconciliation between previous GAAP and IND AS

IND AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The company does not have any impact of Ind AS as on 01st April 2015 and 31st March 2016 on Total Equity and Total Comprehensive Income.

Note 38. The Previous Year's Figures have been reclassified/re-grouped wherever necessary.

The accompanying Notes (1 to 38) 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: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854



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 2017, 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 2017, 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.

Other Matters

The comparative Financial Information of the company for the year ended 31st March 2016 prepared in accordance with Ind AS included in these Ind AS Financial Statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the Predecessor auditor on the comparative Financial Information and the opening balance sheet dated 19th July 2016 expressed an unmodified opinion.

The Transition Date Opening Balance Sheet as at 1st April 2015 included in these Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 Dated 07th May 2015 respectively expressed an unmodified opinion on those Financial Statements, as adjusted for the differences in the Accounting Principles adopted by the Company on Transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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.
 - iv. The company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 7 to the financial statements.

For **Abhijit Kelkar & Co.,**
 Chartered Accountants
 Firm Registration No. 121920W

CA Abhijit Kelkar
 Partner
 Membership No. 110841
 Place : Nagpur
 Date : 07th July, 2017



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, 2017, we report that:

		Clauses	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 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;	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 the 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.

		Clauses	Auditor's Comment
(vii)	(a)	<p>Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</p> <p>i) Provident fund;</p> <p>ii) Employees' state insurance;</p> <p>iii) Income-tax;</p> <p>iv) Sales-tax;</p> <p>v) Service tax;</p> <p>vi) Duty of customs;</p> <p>vii) Duty of excise;</p> <p>viii) Value Added Tax (VAT);</p> <p>ix) Cess; and</p> <p>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>The company has been regular during the year in depositing undisputed dues with Provident Fund, Employees State Insurance, Income Tax, Sales tax, Custom Duty & Excise and other Statutory dues with the appropriate authorities. According to the information given to us, there were no undisputed unpaid statutory dues outstanding as at 31st March 2017 for a period of more than six months from date they became payable.</p>
	(b)	<p>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).</p>	<p>Based on our audit and information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise or Sales Tax which have not been deposited.</p>
(viii)		<p>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.</p> <p>(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.</p>	<p>No Default</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>The company has not raised Moneys by way of IPO & FPO including Debt Instruments. However, Loan from holding Company are applied for the purposes for which they are raised.</p>
(x)		<p>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;</p>	<p>Based upon 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.</p>
(xi)		<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>Based upon 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.</p>
(xii)		<p>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;</p>	<p>Not Applicable</p>



	Clauses	Auditor's Comment
(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, all the transactions with the "Related Parties" are in accordance 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;	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 upon the audit procedures performed and the information and explanation given by the management, the Company has not entered into any cash transaction with directors or persons concerned 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 Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017

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 2017, 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 and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities.	Proper Records are maintained	Nil
4.	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 th November, 2016 to 30 th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 th November, 2016 to 30 th December, 2016 (Annexure III).	The company has provided requisite disclosure in the Financial Statement	Nil

For **Abhijit Kelkar & Co.,**
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017



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 31.03.17 (in ₹ crores)	Net Block as on 31.03.2017 (in ₹ crores)	Remarks
----- NIL -----					

(B) Leasehold Land

Profit Centre	No. of Cases	Area of Land (in hectares)	Gross Block as on 31.03.17 (in ₹ crores)	Net Block as on 31.03.2017 (in ₹ crores)	Remarks
----- NIL -----					

(C) Buildings & Flats

Profit Centre	No. of Cases	Area of Land	Gross Block as on 31.03.17 (in ₹ crores)	Net Block as on 31.03.2017 (in ₹ crores)	Remarks
----- NIL -----					

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 ₹ crores)	Reason for Waiver/Write Off
----- NIL -----					

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016			NIL
(+) Permitted Receipts			NIL
(-) Permitted Payments			NIL
(-) Amount deposited in banks			NIL
Closing cash in hand as on 30.12.2016			NIL

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 2017

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 2017 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 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 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 2017, 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 Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017

COMPLIANCE CERTIFICATE

We have conducted the audit of annual stand-alone accounts of **M/s Powergrid Parali Transmission Limited** for the year ended 31st March, 2017 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 M/s Abhijit Kelkar & Co.,

Chartered Accountants
Firm Registration No. 020917N

CA Abhijit Kelkar

(Partner)
Membership No. 110841

Place : Nagpur
Date : 07th July, 2017

POWERGRID WARORA TRANSMISSION LIMITED

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

(CIN: U40300DL2014G01269918)

ANNUAL REPORT - 2016-17

POWERGRID WARORA TRANSMISSION LIMITED
CIN: U40300DL2014G01269918
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.
THIRD ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the Third Annual General Meeting of POWERGRID Warora Transmission Limited [formerly Gadarwara (A) Transco Limited] will be held on Friday, 29th September, 2017 at 12:30 p.m at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the reports of Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri R.P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“Resolved that pursuant to provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri V.K. Khare (DIN: 07932173) who was appointed as an Additional Director of the Company as per the provisions of Section 161(1) of the Companies Act, 2013 read with clause 75 of Articles of Association and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

By order of the Board
For POWERGRID Warora Transmission Limited

Sd-
S. Vaithilingam
Director
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017

NOTES:

1. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Meeting is called at a shorter notice, thus the members are requested to give their consent for the same in the attached Form.
4. POWERGRID Warora Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (“the Act”). Pursuant to the section 139(5) of the Act, the auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 2nd Annual General Meeting held on 30th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the financial year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and local travel expenses and other incidental out of pocket expenses.
5. The members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the financial year 2017-18, after taking into consideration the volume of work and prevailing inflation.



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Shri V.K.Khare (DIN: 0007932173), was appointed as an Additional Director on the Board of POWERGRID Warora Transmission Limited {formerly Gadarwara (A) Transco Limited}, w.e.f 07.09.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 & clause 75 of Articles of Association. In terms of the provisions of Companies Act, 2013, Shri V.K. Khare holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri V.K. Khare for the office of Director. Shri V.K. Khare, if appointed, will be liable to retire by rotation.

Shri V.K. Khare, aged nearly 58 years, is Executive Director (WR-I) of Power Grid Corporation of India Limited and nominated as Director in your Company w.e.f. 07.09.2017. He holds a Bachelor Degree in Electrical Engineering.

None of the Directors of the Company or their relatives except Shri V.K. Khare is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri V.K. Khare, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution for your approval.

By order of the Board
For POWERGRID Warora Transmission Limited

Sd-
S. Vaithilingam
(Director)
Place: New Delhi
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017

Directors' Report

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Third Annual Report of POWERGRID WARORA Transmission Limited {formerly Gadarwara (A) Transco Limited} on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2017.

POWERGRID Warora Transmission Limited (formerly Gadarwara (A) Transco Limited) was acquired /taken over by 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). Consequent to such acquisition, PWTL became wholly owned subsidiary of POWERGRID. 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 has been granted transmission license by CERC in August, 2015. LILO of existing Seoni-Bina 765 kV S/C at Gadarwara STPP has been completed & declared for commercial operation on 30.11.2016. Eventually, the Gadarwara-Jabalpur Pool 765 kV D/C transmission line has been completed & declared for commercial operation on 31.05.2017.

FINANCIAL PERFORMANCE

₹ Crore

Particulars	2016-17	2015-16
Revenue from Operations	3.66	-
Other Income	-	-
Total Income	3.66	-
Expenses	0.61	-
Profit before Tax	3.05	-
Profit after Tax	1.32	-
Earnings Per Equity Share (₹)	0.63	-

Share Capital

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2017 of the Company were ₹ 35 crore and ₹ 25.10 crore, respectively.

Dividend and Transfer to Reserves

Your Company's Project is under implementation.

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.

Fixed 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.

Director's Responsibility Statement

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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

As on 31st March, 2017, the Board comprised five Directors viz. Shri. R. P. Sasmal, Shri D.K. Valecha, Shri S. Vaithilingam, Shri D.K. Singh and Shri. S. K. Gupta. There is no change in the composition of Board of Directors during the year.

Subsequently, Shri. V.K. Khare has been appointed as Additional Director w.e.f. 07.09.2017 who holds 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. V.K. Khare as Director, liable to retire by rotation in the ensuing Annual General Meeting.

Also, Shri S. K. Gupta ceased to be Director of the Company w.e.f. 06.09.2017.

In accordance with the provisions of the Companies Act, 2013, Shri R.P. Sasmal 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.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, eleven (11) meetings of Board of Directors were held on 01.04.2016, 04.04.2016, 21.04.2016, 06.05.2016, 02.06.2016, 05.08.2016, 24.08.2016, 02.09.2016, 27.12.2016, 16.03.2017 and 23.03.2017. The detail of number of meetings attended by each Director during the financial year 2016-17 are as under:

Name of Director	Designation	Board Meeting attendance during 2016-17
Shri R.P. Sasmal	Chairman	11
Shri D.K. Valecha	Director	10
Shri S. Vaithilingam	Director	11
Shri D.K. Singh	Director	01
Shri S.K. Gupta	Director	01

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 23rd March, 2017. The Audit Committee comprises three members viz. Shri S. Vaithilingam, Shri D.K. Valecha and Shri D.K. Singh as its members with Shri S. Vaithilingam as Chairman. During the year, no meeting of Audit committee was held.

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 23rd March, 2017. 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. During the year, no meeting of NRC was held.

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.

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.

Statutory Auditors

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

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.

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, 2017. C&AG vide letter dated 28th August, 2017 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 28th August, 2017 of NIL comments received from C&AG is placed at **Annexure-III** to this report.

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 WARORA Transmission Limited

Sd-
(R.P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi
Date: 18th September, 2017



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 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	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 ₹ 2020 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/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	09.06.2015 & 27.12.2016 [for Part (A)], 29.02.2016 [for Part (B)]
f	Amount paid as advances, if any	-

By order of the Board
For POWERGRID Warora Transmission LimitedSd-
R.P. Sasmal
(Chairman)
DIN: 02319702Place : New Delhi
Date : 18th September, 2017

POWERGRID WARORA 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	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	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.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)*	L40101DL1989GOI038121	HOLDING COMPANY	100%	2(46)

* HOLDING COMPANY w.e.f. 24.04.2015

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*	0.012	-	6*	6*	0	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	25099994	25099994	100	50106.01
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	50000\$	50000\$	100	0	25100000\$	25100000\$	100	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-



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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	-	25100000	25100000	100	-

Notes:

\$ Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of ₹ 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

* 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			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	49994	99.988	-	25099994	100	-	50106.01
2.	Shri I.S. Jha, jointly with POWERGRID	01	0.002	-	01	0	-	-
3.	Shri R.T. Agarwal jointly with POWERGRID*	01	0.002	-	-	-	-	100
4.	Shri Ravi.P. Singh jointly with POWERGRID	01	0.002	-	01	0	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID	01	0.002	-	01	0	-	-
6.	Shri D.K. Valecha jointly with POWERGRID	01	0.002	-	01	0	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	0.002	-	01	0	-	-
8.	Shri Ranjan Kumar Shrivastava jointly with POWERGRID*	-	-	-	01	0	-	100
	Total	50000	100	-	25100000	100	-	-

*01 Equity share held by Shri R.T. Agarwal (jointly with POWERGRID) transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016.

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):	1. 25050000 Equity Shares of ₹ 10/- each were allotted to POWERGRID on 02.06.2016 in terms of Section 62(1) of the Companies Act, 2013. 2. 01 Equity share held by Shri R.T.Agarwal (jointly with POWERGRID) transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016. (May please also refer information provided under Sr. No. IV (ii) above.)			
	At the End of the year	25100000	100	25100000	100

\$ 25100000 shares w.e.f. 02.06.2016 upon allotment of 25050000 Equity shares to POWERGRID

Note :

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TCB for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of ₹ 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.	For each of Top ten shareholders	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	-	-	-	-
	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.	For each of Directors and KMP	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	-	-	-	-
1	Shri R.P. Sasmal, Chairman				
	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	01**	0
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	01**	0
3	Shri S. Vaithilingam, 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	01**	0
4	Shri S. K. 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	-	-	-	-

Sr. No.	For each of Directors and KMP	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
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. 06.09.2017.

**Jointly with POWERGRID

\$ 0.001% w.e.f. 02.06.2016 upon allotment of 25050000 Equity Shares to 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	-	12,17,12,000	-	121712000
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	12,17,12,000	-	121712000
Change in Indebtedness during the financial year				
- Addition		663,25,43,009		663,25,43,009
- Reduction		-		-
Net Change	-	663,25,43,009	-	663,25,43,009
Indebtedness at the end of the financial year				
i) Principal Amount		675,42,55,009		675,42,55,009
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		16,14,22,672		16,14,22,672
Total (i+ii+iii)	-	691,56,77,681		691,56,77,681



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
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors • 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-**
(R.P. Sasmal)
Chairman
 DIN: 02319702

 Place : New Delhi
 Date : 18th September, 2017

**ANNEXURE - III THE DIRECTORS' REPORT****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 2017**

The preparation of financial statements of Powergrid Warora Transmission Limited, for the year ended 31 March 2017 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 auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are 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 07 July 2017.

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 2017. 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 auditors 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 auditors' report.

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

**Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi**

Place : New Delhi
Date : 28 July, 2017

Balance Sheet as on 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	333,540,738	-	-
(b) Capital Work-in-Progress	5	7,457,785,662	295,614,902	182,195,184
(c) Intangible Assets under Development	6	62,000	62,000	-
(d) Other Non-Current Assets	7	684,350,431	35,030,000	-
		8,475,738,831	330,706,902	182,195,184
Current Assets				
(a) Financial Assets				
(i) Cash and Cash Equivalents	8	16,612,509	8,494,667	19,550
(ii) Other Current Financial Assets	9	36,729,417	8,893	-
(b) Other Current Assets	10	10,000	-	-
		53,351,926	8,503,560	19,550
Total Assets		8,529,090,757	339,210,462	182,214,734
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	251,000,000	500,000	500,000
(b) Other Equity	12	13,138,978	(32,969)	(32,969)
		264,138,978	467,031	467,031
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	6,754,255,009	121,712,000	-
(ii) Other Non-Current Financial Liability	14	105,311,093	-	-
(b) Deferred Tax Liabilities (Net)	15	11,117,117	-	-
		6,870,683,219	121,712,000	-
Current Liabilities :				
(a) Financial Liabilities				
(i) Other Current Financial Liability	16	1,361,923,181	209,056,880	166,726,865
(b) Other Current Liabilities	17	32,291,879	7,951,151	15,020,838
(c) Provisions	18	53,500	23,400	-
(d) Current Tax Liabilities (Net)	19	-	-	-
		1,394,268,560	217,031,431	181,747,703
Total Equity and Liabilities		8,529,090,757	339,210,462	182,214,734

The accompanying Notes (1 to 42) 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: 07th July, 2017

For and on behalf of the Board of Directors

(R. P. Sasmal)
Chairman
DIN : 0002319702

(I. Martin Jerome)
CFO

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 0007107854

(Anjana Luthra)
(Company Secretary)

**Statement of Profit and Loss** for the year ended 31st March, 2017

(Amount in ₹)

Particulars		Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Revenue From Operations	20	36,621,892	-
II	Other Income	21	-	-
III	Total Income (I+II)		36,621,892	-
IV	EXPENSES			
	Finance costs	22	2,325,691	-
	Depreciation and amortization expense	23	3,785,465	-
	Other Expenses	24	1,111	-
	Total Expenses (IV)		6,112,267	-
V	Profit/(Loss) Before Tax (III- IV)		30,509,625	-
VI	Tax Expense:			
	(1) Current Tax		6,220,561	-
	(2) Deferred Tax		11,117,117	-
			17,337,678	
VII	Profit (Loss) for the Period (V-VI)		13,171,947	-
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the period (VII+VIII)		13,171,947	-
X	Earnings per Equity Share (Par Value ₹ 10 each)			
	(1) Basic (₹)		0.63	-
	(2) Diluted (₹)		0.63	-

The accompanying Notes (1 to 42) 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: 07th July, 2017

For and on behalf of the Board of Directors

(R. P. Sasmal)
Chairman
DIN : 0002319702

(I. Martin Jerome)
CFO

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 0007107854

(Anjana Luthra)
(Company Secretary)

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) Before Tax	30,509,625	-
Operating Profit /(Loss) before Working Capital Changes	30,509,625	-
Adjustments For :-		
(Increase)/Decrease in Other Non Current Assets	(649,320,431)	(35,030,000)
(Increase)/Decrease in Other Current Financial Assets	(36,720,524)	(8,893)
(Increase)/Decrease in Other Current Assets	(10,000)	-
Increase/(Decrease) in Other Non Current Liabilities	105,311,093	-
Increase/(Decrease) in Other Current Financial Liability	1,152,866,301	42,330,015
Increase/(Decrease) in Other Current Liability	24,340,728	(7,069,687)
Increase/(Decrease) in Provisions	30,100	23,400
Cash Generated From Operations	627,006,892	244,835
Income Tax Paid	(6,220,561)	-
Net Cash from Operating Activities	620,786,331	244,835
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in Progress and Property Plant & Equipments	(7,495,711,498)	(113,419,718)
Intangible Assets under Developments	-	(62,000)
Net Cash used in Investing Activities	(7,495,711,498)	(113,481,718)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share capital	250,500,000	-
Inter Corporate Loan from Power Grid Corp. of India Ltd.	6,632,543,009	121,712,000
Net Cash from Financing Activities	6,883,043,009	121,712,000
D Net Change in Cash and Cash Equivalents (A+B+C)	8,117,842	8,475,117
E Cash and Cash Equivalents (Opening Balance)	8,494,667	19,550
F Cash and Cash Equivalents (Closing Balance) (D+E)	16,612,509	8,494,667

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: 07th July, 2017

For and on behalf of the Board of Directors

(R. P. Sasnal)
Chairman
DIN : 0002319702

(I. Martin Jerome)
CFO

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 0007107854

(Anjana Luthra)
(Company Secretary)

**Statement of Changes in Equity** for the period ended 31st March, 2017**A. Equity Share Capital**

	(Amount in ₹)
As at 1st April,2015	500,000.00
Changes in equity share capital	-
As at 31st March ,2016	500,000.00
Changes in equity share capital	250,500,000.00
As at 31st March ,2017	251,000,000.00

B. Other Equity

(Amount in ₹)

	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	Other items of Other Comprehensive Income	
Balance at 1st April,2015	-	-	-	-	(32,969)	-	-	(32,969)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Balance at 31st March, 2016	-	-	-	-	(32,969)	-	-	(32,969)
Balance at 1st April,2016	-	-	-	-	(32,969)	-	-	(32,969)
Total Comprehensive Income for the year	-	-	-	-	13,171,947	-	-	13,171,947
Transfer to Self Insurance Reserve	-	-	404,791	-	(404,791)	-	-	-
Balance at 31st March, 2017	-	-	404,791	-	12,734,187	-	-	13,138,978

Refer to Note 12 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: 07th July, 2017

For and on behalf of the Board of Directors

(R. P. Sasmal)
Chairman
DIN : 0002319702

(I. Martin Jerome)
CFO

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 0007107854

(Anjana Luthra)
(Company Secretary)

Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Warora 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, India. It is principally engaged in implementation, operation and maintenance of Transmission Lines & Sub-Station.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 07th July, 2017

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 thereof.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of Measurement

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

iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupee, 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

Measurement on Transition to Ind AS

On the date of transition to Ind AS, the company has considered the carrying value of Property, Plant and Equipment as per Previous GAAP to be the deemed cost as per Ind AS 101 'First Time Adoption of Indian Accounting Standard'.

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, 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.

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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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.

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.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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 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 CERC.

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

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

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

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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.

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 and other Financial Assets.

Classification

The Company classifies its financial assets 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 group 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 effective rate of interest.

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 derecognized when the obligation under the liability is discharged or cancelled or expires. 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 recognized in profit or 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.

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.

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.

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 entered between the Transmission Service Provider and the Long Term Transmission Customers.

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.

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.

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. The same 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".

3. Critical Estimates and Judgements

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 of applying the company's accounting policies.

Estimates and judgements are continually evaluated in line with progress of the project and 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 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	As at 31st March, 2016
Land											
Freehold	-	123,183,768	-	-	123,183,768	-	-	-	-	123,183,768	-
Plant & Equipment											
Transmission	-	213,456,233	-	-	213,456,233	-	3,767,122	-	-	209,689,111	-
Furniture Fixtures	-	616,902	-	-	616,902	-	15,311	-	-	601,591	-
Office equipment	-	69,300	-	-	69,300	-	3,032	-	-	66,268	-
Total	-	337,326,203	-	-	337,326,203	-	3,785,465	-	-	333,540,738	-

Further Note - The Company acquired 41.45 Hectare (Nil Hectare as on 31.03.2016) (Nil Hectare as on 01.04.2015) of Freehold Land amounting to ₹ 12,31,83,768/- (₹ Nil as on 31.03.2016) (₹ Nil as on 01.04.2015) for which mutation in revenue records is pending.

Note 5/Capital Work in Progress

(Amount in ₹)

Particulars	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2017
Land					
Development of land	176,424	123,183,768	-	123,183,768	176,424
Buildings					
Sub-Stations & Office	-	58,542,911	-	-	58,542,911
Plant & Equipments (including associated civil works)					
a) Transmission	182,195,184	3,717,648,823	-	199,270,531	3,700,573,476
b) Sub-Station	-	53,411,899	-	-	53,411,899
Construction Stores	23,810,429	3,021,683,514	-	-	3,045,493,943
Expenditure pending allocation					
Expenditure During Construction Period (Net) (Note 25)	89,432,865	524,339,846	-	14,185,702	599,587,009
Total	295,614,902	7,498,810,761	-	336,640,001	7,457,785,662

Note 5/Capital Work in Progress

(Amount in ₹)

Particulars	As at 1st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2016
Land					
Development of land	-	176,424	-	-	176,424
Buildings					-
Plant & Equipments (including associated civil works)					-
a) Transmission	182,195,184	-	-	-	182,195,184
Construction Stores	-	23,810,429	-	-	23,810,429
Expenditure pending allocation	-	-	-	-	-
Expenditure During Construction Period (Net) (Note 25)		89,432,865			89,432,865
Total	182,195,184	113,419,718	-	-	295,614,902

Further Note - The Company has opted for Deemed Cost Exemption as per Para D7AA of Ind AS 101 "First Time Adoption of Indian Accounting Standards". Accordingly Carrying Value is considered as Deemed Cost as on the Date of Transition i.e. 1st April 2015.

Note 5/Capital Work in Progress (Details of Construction stores)

(At cost)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Costruction Stores			
Towers	1,287,386,225	23,810,429	-
Conductors	1,483,926,150	-	-
Other Line Materials	126,816,755	-	-
Sub-Station Equipments	107,904,669	-	-
Unified Load Despatch & Communication(ULDC) Materials	10,245,371	-	-
Others	29,214,773	-	-
Total	3,045,493,943	23,810,429	-



Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Construction Stores include:			
i) Material in transit			
Towers	-	23,810,429	-
Other Line Materials	19,391,014	-	-
Others	29,214,773	-	-
Total	48,605,787	23,810,429	-
ii) Material with Contractors			
Towers	1,287,386,225	-	-
Conductors	1,483,926,150	-	-
Other Line Materials	107,425,741	-	-
Sub-Station Equipments	107,904,669	-	-
Unified Load Despatch & Communication(ULDC) Materials	10,245,371	-	-
Total	2,996,888,156	-	-
Grand Total	3,045,493,943	23,810,429	-

Note 6/Intangible Assets under Development

(Amount in ₹)

Particulars	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2017
Right of Way-Afforestation expenses	62,000	-	-	-	62,000
Total	62,000	-	-	-	62,000

(Amount in ₹)

Particulars	As at 1st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2016
Right of Way-Afforestation expenses	-	62,000	-	-	62,000
Total	-	62,000	-	-	62,000

Note 7/Other Non-Current Assets

(Unsecured considered Good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A) Advances for Capital Expenditure			
Against Bank Guarantees	683,639,968	35,000,000	-
B) Security Deposits	30,000	30,000	-
C) Advances recoverable in cash or in kind or for value to be received			
Advance Tax and Tax deducted at source	6,901,024	-	-
Less: Current Tax	6,220,561	-	-
	680,463	-	-
Total	684,350,431	35,030,000	-

Note 8/Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balance with Banks-			
-In Current Accounts	16,612,509	8,494,667	19,550
Total	16,612,509	8,494,667	19,550

Further Note -

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

(Amount in ₹)

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	Nil	Nil
(-) Amount deposited in banks	Nil	Nil	Nil
Closing Cash in Hand as on 30.12.2016	Nil	Nil	Nil

Note 9/Other Current Financial Assets

(Unsecured considered Good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1) Unbilled Revenue*	36,621,892	-	-
2) Interest accrued but not due			
Interest accrued on Others	-	8,893	-
2) Others **	107,525	-	-
Total	36,729,417	8,893	-

Further Note -

* Unbilled Revenue ₹ 36621892 (Previous Year Nil) represent amount for which the company is yet to raise bills in view of recognition of revenue as per CERC Tariff norms and also includes transmission charges for the month of March 2017 in the Financial year amounting to ₹ 9382468 (Previous Year Nil) billed to beneficiaries in the month of April 2017 of Subsequent Year (Previous Year N/A).

** Others include Advance to Vendor

Note 10/Other Current Assets

(Unsecured considered Good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances recoverable in kind or for value to be received			
Others	10,000	-	-
Total	10,000	-	-


Note 11/Equity Share Capital

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity Share Capital			
Authorised			
3,50,00,000 (31.03.2016 - 2,00,00,000) (01.04.2015 - 50,000) Equity Shares of ₹ 10/- each at par	350,000,000	200,000,000	500,000
Issued, subscribed and paid up			
2,51,00,000 (31.03.2016 - 50,000) (01.04.2015 - 50,000) Equity Shares of ₹ 10/- each at par fully paid up	251,000,000	500,000	500,000
Total	251,000,000	500,000	500,000

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, 2017		For the year ended 31st March, 2016	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	25,050,000	250,500,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	25,100,000	251,000,000	50,000	500,000

- 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, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares #	% of holding	No. of Shares #	% of holding	No. of Shares #	% of holding
i) Power Grid Corporation of India Limited	25100000	100%	50000	100%		
ii) REC Transmission Projects Co. Limited					50000	100%

Out of 2,51,00,000 (50,000 in 31.03.2016) Equity Shares, 6 Equity Shares are Held by Nominees of M/s Power Grid Corporation of India Ltd on its behalf. Out of 50,000 Equity Shares in 01.04.2015, 6 Equity Shares are Held by Nominees of M/s REC Transmission Projects Co. Ltd. on its behalf.

Note 12/Other Equity

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Reserve & Surplus			
Self Insurance Reserve			
Balance at the Beginning of the Year	-		
Additions During The Year	404,791		
Balance at the End of the Year	404,791	-	-

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Retained Earnings			
Balance at the Beginning of the Year	(32,969)	(32,969)	
Net Profit for the Period	13,171,947		(32,969)
Transfer To Self Insurance Reserve	(404,791)		
Balance at the End of the Year	12,734,187	(32,969)	
Total	13,138,978	(32,969)	(32,969)

Further Note -**Nature and Purpose of Reserves****Self Insurance Reserve**

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 to mitigate future losses from un-insured risk.

Note 13/ Borrowings

(Amount in ₹)

Description	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Term Loan From Others			
Rupee Loans (Unsecured)			
Loan From M/s Power Grid Corporation of India Ltd. (Holding Co.)	6,754,255,009	121,712,000	-
Total	6,754,255,009	121,712,000	-

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 20 Years

Note 14/Other Non-Current Financial Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Dues for Capital Expenditure	105,311,093	-	-
Total	105,311,093	-	-

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 34

Note 15/ Deferred Tax Liabilities (Net)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Liability			
Depreciation Difference on Property, Plant & Equipments	11,117,117	-	-
Total	11,117,117	-	-



Movements in Deferred Tax Liabilities

(Amount in ₹)

	Property, Plant and Equipment and Investment Property
At 1 April 2015	-
Charged/(Credited)	-
- to Profit or Loss	-
- to Other Comprehensive Income	-
At 31 March 2016	-
Charged/(credited)	-
- to Profit or Loss	11,117,117
- to Other Comprehensive Income	-
At 31 March 2017	11,117,117

Note 16/Other Current Financial Liability

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A) Interest accrued but not due on borrowings from Related Parties ** - M/s Power Grid Corp. of India Ltd.	161,422,672	-	-
B) Others			
i) Dues for capital expenditure	869,791,516	209,056,880	166,726,865
ii) Deposits/Retention money from contractors and others.	330,030,724		
iii) Others	678,269		
Total	1,200,500,509	209,056,880	166,726,865
	1,361,923,181	209,056,880	166,726,865

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 34

**Breakup of Related Parties is provided in Note - 36

Note 17/Other Current Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory Dues	32,291,879	7,951,151	15,020,838
Total	32,291,879	7,951,151	15,020,838

Note 18/ Provisions

(Amount in ₹)

Description	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision Others			
As per last balance sheet	23,400		
Additions during the year	53,500	23,400	-
Paid/Adjusted during the year	23,400	-	-
Closing Balance	-	53,500	23,400
Total	53,500	23,400	-

Further Note -

Provision includes Other Professional Charges

Note 19/ Current Tax Liabilities (Net)

(Amount in ₹)

Description	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Taxation (Including interest on tax)			
As per last balance sheet	-	-	-
Additions during the year	6,220,561	-	-
Net off with Advance Tax Paid (Note 7)	6,220,561	-	-
Closing Balance	-	-	-

Note 20/Revenue From Operations

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of Services		
Transmission Charges	36,621,892	-
Total	36,621,892	-

Note 21/Other Income

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest from advances to contractors	8,261,458	8,893
Less: Transferred to Expenditure During Construction (Net) - Note 25	8,261,458	8,893
Total	-	-

Note 22/Finance Costs

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	186,718,177	47,790
Less: Transferred to Expenditure During Construction (Net) - Note 25	184,392,486	47,790
Total	2,325,691	-

Note 23/Depreciation and Amortization Expense

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of Property, Plant and Equipment	3,785,465	-
Total	3,785,465	-



Note 24/Other Expenses

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Repair & Maintenance		
Sub-Stations	69,400	-
Power charges	13,600	-
Professional Charges	21,270	-
Consultancy Expenses	344,124,956	85,632,975
Tender expenses	1,425,915	-
Payments to Statutory Auditors		
Audit Fees	34,500	22,900
Tax Audit Fees	11,500	-
Out of pocket Expenses	955	-
	46,955	22,900
Advertisement and publicity	603,205	1,470,263
Printing and stationery	-	2,155
CERC Petition & Other charges	500,000	327,900
Miscellaneous expenses	32,218	-
Rates and taxes	1,355,560	1,937,775
Other charges	16,850	-
	348,209,929	89,393,968
Less: Transferred to Expenditure During Construction (Net) - Note 25	348,208,818	89,393,968
Total	1,111	-

Note 25/ Expenditure During Construction (Net)

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. Other Expenses		
Buildings	69,400	-
Power charges	13,600	-
Professional charges	21,270	-
Consultancy expenses	344,124,956	85,632,975
Tender expenses	1,425,915	-
Payment to Auditors	46,955	22,900
Advertisement and Publicity	603,205	1,470,263
Printing and stationery	-	2,155
Miscellaneous expenses	547,957	327,900
Rates and taxes	1,355,560	1,937,775
Total (A)	348,208,818	89,393,968
B. Finance Costs		
Interest on Term Loans	184,392,486	47,790
Total (B)	184,392,486	47,790
C. Less: Other Income		
Interest from Advance To Contractors	8,261,458	8,893
Total (C)	8,261,458	8,893
Grand Total (A+B-C)	524,339,846	89,432,865

Note 26/ Employee Benefit Obligations

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. 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.

Note 27/ Fair Value Measurements

(Amount in ₹)

Financial instruments by category	31 March 2017		31 March 2016		01 April 2015	
	FVOCI	Amortised Cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Cash & Cash Equivalents	-	16,612,509	-	8,494,667	-	19,550
Other Financial Assets	-	36,729,417	-	8,893	-	-
Total Financial Assets	-	53,341,926	-	8,503,560	-	19,550
Financial Liabilities						
Borrowings	-	6,915,677,681	-	121,712,000	-	-
Other Financial Liabilities	-	1,305,811,602	-	209,056,880	-	166,726,865
Total Financial Liabilities	-	8,221,489,283	-	330,768,880	-	166,726,865

(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.

(Amount in ₹)

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	-	-	6,843,881,911	-	6,843,881,911
Other Financial Liabilities	-	-	1,305,811,602	-	1,305,811,602
Total Financial Liabilities	-	-	8,149,693,513	-	8,149,693,513



(Amount in ₹)

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 2016					
Financial Assets	-	-	-	-	-
Total Financial Assets	-	-	-	-	-
Financial Liabilities	-	-	-	-	-
Borrowings	-	-	119,442,173	-	119,442,173
Other Financial Liabilities	-	-	209,056,880	-	209,056,880
Total Financial Liabilities	-	-	328,499,053	-	328,499,053

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 01st April 2015					
Financial Assets	-	-	-	-	-
Total Financial Assets	-	-	-	-	-
Financial Liabilities	-	-	-	-	-
Borrowings	-	-	-	-	-
Other Financial Liabilities	-	-	166,726,865	-	166,726,865
Total Financial Liabilities	-	-	166,726,865	-	166,726,865

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

(Amount in Rupees)

	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
At 01 April 2015						
Financial Assets	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-
Financial Liabilities						
Borrowings	6,915,677,681	6,843,881,911	121,712,000	119,442,173	-	-
Other Financial Liabilities	1,305,811,602	1,305,811,602	209,056,880	209,056,880	166,726,865	166,726,865
Total Financial Liabilities	8,221,489,283	8,149,693,513	330,768,880	328,499,053	166,726,865	166,726,865

The carrying amounts of 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.

Note 28/ Earnings Per Share

(Amount in ₹)

(a) Basic earnings per share attributable to the equity holders of the company-	31 March 2017	March 31, 2016
From Continuing Operations	0.63	-
Total Basic and Diluted earnings per share attributable to the equity holders of the company	0.63	-

(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March 2017	March 31, 2016
Earnings attributable to the equity holders of the company	13,171,947	-
Total Earnings attributable to the equity holders of the company	13,171,947	-

(No. of Shares)

(c) Weighted average number of shares used as the denominator	March 31, 2017	March 31, 2016
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,844,932	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	20,844,932	50,000

Note 29/ 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, securities premium reserve 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.

Note 30/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.



(Amount in ₹)

	March 31, 2017	March 31, 2016
(a) Income Tax Expense		
Current Tax		
Current Tax on Profits for the year	6,220,561	-
Total Current Tax Expense	6,220,561	-
Deferred Tax		
(Decrease) Increase in Deferred Tax Liabilities	11,117,117	-
Total Deferred Tax Expense/(Benefit)	11,117,117	-
Income Tax Expense	17,337,678	-

(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:

(Amount in ₹)

	March 31, 2017	March 31, 2016
Profit before Income Tax Expense	30,509,625	-
Tax at the Indian Tax Rate of 30.90% (2015-2016 @ Nil)	6,220,561	-
Deferred Tax	11,117,117	-
Income Tax Expense	17,337,678	-

Note 31/ 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 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.

Cash and cash equivalents

The Company held Cash and Cash Equivalents of ₹ 16612509/- (31.03.2016 - ₹ 8494667/-) (01.04.2015 - ₹ 19550/-). 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.

(Amount in ₹)

Contractual Maturities of Financial Liabilities:	Within 1 Year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 Years	Total
31 March 2017					
Non-Derivatives					
Borrowings	491,376,817	514,183,715	4,766,137,866	6,832,690,824	12,604,389,221
Other Financial Liabilities	1,200,500,509	105,311,093	-	-	1,305,811,602
Total Non-Derivative Liabilities	1,691,877,326	619,494,807	4,766,137,866	6,832,690,824	13,910,200,823
31 March 2016					
Non-derivatives					
Borrowings	7,427,753	10,126,438	70,949,982	131,773,525	220,277,699
Other financial liabilities	209,047,987	-	-	-	209,047,987
Total non-derivative liabilities	216,475,740	10,126,438	70,949,982	131,773,525	429,325,686
01 April 2015					
Non-derivatives					
Other financial liabilities	166,726,865	-	-	-	166,726,865
Total non-derivative liabilities	166,726,865	-	-	-	166,726,865

(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-35

Note 32

- 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-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 2017.
- 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 33

Borrowing Cost of ₹ **18,43,92,486/-** (Previous Year ₹ **47,790/-**) has been adjusted in the Capital Work in Progress (CWIP) as per Ind AS 23- "Borrowing Costs".

Note 34.

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:

(Amount in ₹)

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 35. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency			Amount in ₹		
		31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Trade Payables/ Deposits and Retention Money	USD	521326	Nil	Nil	33823131	Nil	Nil
Unexecuted Amount of contracts remaining to be executed	USD	3596128	4400293	Nil	236373506	296535756	Nil

Note 36. Related party Transactions

a) List of Holding Co.

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Power Grid Corporation of India Limited	India	100%	100%	0%
REC Transmission Projects Co. Ltd.	India	0%	0%	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-Mar-17	31-Mar-16	01-Apr-15
Powergrid Vizag Transmission Limited	India	-	-	-
Powergrid NM Transmission Limited	India	-	-	-
Powergrid Unchahar Transmission Limited	India	-	-	-
Powergrid Kala Amb Transmission Limited	India	-	-	-
Powergrid Jabalpur Transmission Limited	India	-	-	-
Powergrid Parli Transmission Limited	India	-	-	-
Powergrid Southern Interconnector Transmission Limited	India	-	-	-
Powergrid Vemagiri Transmission Limited	India	-	-	-
Power System Operation Corporation Limited *	India	-	-	-
Grid Conductors Limited	India	-	-	-
Medinipur Jeerat Transmission Limited **	India	-	-	-

* Ceases to be Subsidiary of holding Co. w.e.f. 02nd January 2017

** 100% Equity in Medinipur Jeerat Transmission Limited acquired by Holding Co. on 28th March 2017.

c) List of Fellow Joint Ventures (JVs of Holding Co.)

Name of entity	Place of Business /Country of Incorporation	Proportion of Ownership Interest		
		31-Mar-17	31-Mar-16	01-Apr-15
Powerlinks Transmission Limited	India	-	-	-
Torrent Power Grid Limited	India	-	-	-
Jaypee Powergrid Limited	India	-	-	-
Parbati Koldam Transmission Company Limited	India	-	-	-
Teestavalley Power Transmission Limited	India	-	-	-
North East Transmission Company Limited	India	-	-	-
National High Power Test Laboratory Private Limited	India	-	-	-
Energy Efficiency Services Limited *	India	-	-	-
Bihar Grid Company Limited	India	-	-	-
Kalinga Vidyut Prasaran Nigam Private Limited	India	-	-	-
Cross Border Power Transmission Company Limited	India	-	-	-
RINL Powergrid TLT Private Limited	India	-	-	-
Power Transmission Company Nepal Ltd	Nepal	-	-	-

** Ceases to be Joint Venture of Holding Co. w.e.f. 25th April 2016

d) List of Key Management Personnel

Name	Designation
Shri. R. P. Sasmal	Chairman
Shri. D. K. Valecha	Director
Shri. S. Vaithilingam	Director
Shri. S. K. Gupta	Director
Shri. D. K. Singh	Director
Smt. Anjana Luthra	Company Secretary
Shri. I. Martin Jerome	Chief Finance Officer

**(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

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Amount Payable			
 Holding Co.			
Power Grid Corporation of India Limited	146546595	185713321	
REC Transmission Projects Co. Ltd.	Nil	Nil	166726865

(f) Investments Received during the year (Equity)

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
 Holding Co.			
Power Grid Corporation of India Limited	250500000	Nil	Nil
REC Transmission Projects Co. Ltd.	Nil	Nil	500000

(g) Loans From Related Parties

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
 Holding Co.			
Power Grid Corporation of India Limited	6754255009	121712000	Nil

(h) Interest Accrued on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
 Holding Co.			
Power Grid Corporation of India Limited	161422672	47790	Nil

(i) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Services Received by the Company		
 Holding Co.		
Power Grid Corporation of India Limited	344124956	85632975

(j) Interest on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
 Holding Co.		
Power Grid Corporation of India Limited	186718177	47790

Note 37. 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. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

(b) The Operations of the Company are mainly carried out within the country and therefore, there is no reportable geographical segment.

Note 38. Capital and other Commitments

(Amount in ₹)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12757341391	11091424155	Nil

Note 39. Contingent Liabilities and Contingent Assets**Contingent Liabilities**

There is No Contingent Liability As On 31st March 2017 (Also Nil As On 31st March 2016) in respect of Company which is not acknowledged as debt.

Note 40. Recent Accounting Pronouncements**Standard Issued But Not Yet Effective**

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of Cash Flows':

The Amendment to Ind AS 7 'Statement of Cash Flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 41. First Time Adoption of Ind AS**Transition to IND AS**

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). A Reconciliation from previous GAAP to IND AS is set out below showing how it has affected the Company's Financial Position, Financial Performance and Cash Flows.

Reconciliation between previous GAAP and IND AS

IND AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The company does not have any impact of Ind AS as on 01st April 2015 and 31st March 2016 on Total Equity and Total Comprehensive Income.

Note 42. The Previous Year's Figures have been reclassified/re-grouped wherever necessary.

The accompanying Notes (1 to 42) 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: 07th July, 2017

For and on behalf of the Board of Directors

(R. P. Sasml)
Chairman
DIN : 0002319702

(I. Martin Jerome)
CFO

Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 0007107854

(Anjana Luthra)
(Company Secretary)



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 2017, 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 2017, 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.

Other Matters

The comparative Financial Information of the company for the year ended 31st March 2016 prepared in accordance with Ind AS included in these Ind AS Financial Statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the Predecessor auditor on the comparative Financial Information and the opening balance sheet dated 19th July 2016 expressed an unmodified opinion.

The Transition Date Opening Balance Sheet as at 1st April 2015 included in these Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 Dated 07th May 2015 respectively expressed an unmodified opinion on those Financial Statements, as adjusted for the differences in the Accounting Principles adopted by the Company on Transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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.
 - iv. The company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8,2016 to December 30,2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 8 to the financial statements.

For **Abhijit Kelkar & Co.,**
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017

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, 2017, 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 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 is having Land, Tower, and Others as a Fixed Assets. The company has not conducted Physical Verification 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;	Conveyance Deed of Warora Land in area 41.45 Hectare valuing Rs. 12.32 Crores purchased during FY 16-17 has been transferred in the Name of Company. However, Mutation of the same is under Process.
(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 the 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.

	Clauses of CARO Report, 2016	Auditor's Comment
(vii)	<p>(a) Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</p> <p>i) Provident fund;</p> <p>ii) Employees' state insurance;</p> <p>iii) Income-tax;</p> <p>iv) Sales-tax;</p> <p>v) Service tax;</p> <p>vi) Duty of customs;</p> <p>vii) Duty of excise;</p> <p>viii) Value Added Tax (VAT);</p> <p>ix) Cess; and</p> <p>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>The company has been regular during the year in depositing undisputed dues with Provident Fund, Employees State Insurance, Income Tax, Sales tax, Custom Duty & Excise and other Statutory dues with the appropriate authorities. According to the information given to us, there were no undisputed unpaid statutory dues outstanding as at 31st March 2017 for a period of more than six months from 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 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).</p>	<p>Based on our audit and information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited.</p>
(viii)	<p>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.</p> <p>(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.</p>	<p>No Default</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>The company has not raised Moneys by way of IPO & FPO including Debt Instruments. However, Loan from holding Company are applied for the purposes for which they are raised.</p>
(x)	<p>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;</p>	<p>Based upon 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.</p>
(xi)	<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>Based upon 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.</p>
(xii)	<p>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;</p>	<p>Not Applicable</p>



	Clauses of CARO Report, 2016	Auditor's Comment
(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, all the transactions with the "Related Parties" are in accordance 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;	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 upon the audit procedures performed and the information and explanation given by the management, the Company has not entered into any cash transaction with directors or persons concerned 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 Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017

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 2017, 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 and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities.	Proper Records are maintained	Nil
4.	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 th November, 2016 to 30 th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 th November, 2016 to 30 th December, 2016 (Annexure III).	The company has provided requisite disclosure in the Financial Statement	Nil

For **Abhijit Kelkar & Co.,**
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017



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 31.03.17 (in ₹ crores)	Net Block as on 31.03.2017 (in ₹ crores)	Remarks
615XX009XX	17	41.45	12.32	12.32	Conveyance Deed is Transferred in the Name of Co. and Mutation is not done yet Under Process.

(B) Leasehold Land

Profit Centre	No. of Cases	Area of Land (in hectares)	Gross Block as on 31.03.17 (in ₹ crores)	Net Block as on 31.03.2017 (in ₹ crores)	Remarks
----- NIL -----					

(C) Buildings & Flats

Profit Centre	No. of Cases	Area of Land	Gross Block as on 31.03.17 (in ₹ crores)	Net Block as on 31.03.2017 (in ₹ crores)	Remarks
----- NIL -----					

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 ₹ crores)	Reason for Waiver/Write Off
----- NIL -----					

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016			NIL
(+) Permitted Receipts			NIL
(-) Permitted Payments			NIL
(-) Amount deposited in banks			NIL
Closing cash in hand as on 30.12.2016			NIL

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, 2017

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 2017 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, 2017, 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 Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017

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, 2017 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 M/s Abhijit Kelkar & Co.,

Chartered Accountants
Firm Registration No. 020917N

CA Abhijit Kelkar

(Partner)
Membership No. 110841

Place : Nagpur
Date : 07th July, 2017

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED

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

(CIN: U40300DL2016GOI290075)

ANNUAL REPORT - 2016-17

POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED

CIN: U40300DL2016GOI290075

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

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

NOTICE

NOTICE is hereby given that the Second Annual General Meeting of the Members of POWERGRID Medinipur Jeerat Transmission Limited will be held on Friday, the 29th September, 2017 at 5:00 p.m. at the Registered Office of the Company i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

SPECIAL BUSINESS:
3. To appoint Shri Prabhakar Singh (DIN 01391766) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Prabhakar Singh (DIN 01391766), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

4. To appoint Shri Bharatbhushan Krishnabehari (DIN 0523229) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Bharatbhushan Krishnabehari (DIN 05232295), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

5. To appoint Shri Devender Kumar Valecha (DIN 06847789) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Devender Kumar Valecha (DIN 06847789), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

6. To appoint Shri Ranjan Kumar Srivastava (DIN 07338796) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Ranjan Kumar Srivastava (DIN 07338796), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

7. To appoint Shri Sunit Nath Sahay (DIN 07952754) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Sunit Nath Sahay (DIN 07952754), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

By order of the Board of Directors

Sd/-
(Prabhakar Singh)
 Chairman

Regd. Office: B-9, Qutab Institutional Area,
 Katwaria Sarai, New Delhi - 110 016.
 (CIN: U40300DL2011GOI290075)
 Date: 28th September, 2017



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. None of the Directors of the Company is in any way related to each other.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in the 1st Annual General Meeting held on 10th August, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors, vide their 11th Meeting held on 13.12.2016, fixed audit fee for the Financial Year 2016-17 at ₹ 25,000/- + Service Tax (as applicable) and reimbursement of out-of-pocket expense up to ₹ 2,500/- + Service Tax (as applicable) based on certification by Auditor and approval of the then Director and Project In-charge of the Company.
5. M/s. Jain Seth & Co., Chartered Accountants, Kolkata have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors, as may be deemed fit, by the Board for the Financial Year 2017-18.

Annexure to Notice

EXPLANATORY STATEMENT

ITEM NO. 3

Appointment of Prabhakar Singh (DIN 01391766), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 **as a Director liable to retire by rotation**

Shri Prabhakar Singh (DIN 01391766), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Prabhakar Singh as a Director on the Board of POWERGRID.

The above appointment of Shri Prabhakar Singh as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Prabhakar Singh holds 01 share in the Company (as Nominee) jointly with POWERGRID i.e. the Holding Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.3, as an Ordinary Resolution.

ITEM NO. 4

Appointment of Shri Bharatbhushan Krishnabehari (DIN 05232295) who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 **as a Director liable to retire by rotation.**

Shri Bharatbhushan Krishnabehari (DIN 05232295), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Bharatbhushan Krishnabehari as a Director on the Board of POWERGRID.

The above appointment of Shri Bharatbhushan Krishnabehari as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Bharatbhushan Krishnabehari does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 4, as an Ordinary Resolution.

ITEM NO. 5

Appointment of Shri Devender Kumar Valecha (DIN 06847789), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 **as a Director liable to retire by rotation**

Shri Devender Kumar Valecha (DIN 06847789), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act

proposing the appointment of Shri Devender Kumar Valecha as a Director on the Board of POWERGRID.

The above appointment of Shri Devender Kumar Valecha as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Devender Kumar Valecha does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 5, as an Ordinary Resolution.

ITEM NO. 6

Appointment of Shri Ranjan Kumar Srivastava (DIN 07338796), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 **as a Director liable to retire by rotation**

Shri Ranjan Kumar Srivastava (DIN 07338796), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Ranjan Kumar Srivastava as a Director on the Board of POWERGRID.

The above appointment of Shri Ranjan Kumar Srivastava as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Ranjan Kumar Srivastava holds 01 share in the Company (as Nominee) jointly with POWERGRID i.e. the Holding Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6, as an Ordinary Resolution.

ITEM NO. 7

Appointment of Shri Sunit Nath Sahay (DIN 07952754), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 **as a Director liable to retire by rotation**.

Shri Sunit Nath Sahay (DIN 07952754), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Sunit Nath Sahay as a Director on the Board of POWERGRID.

The above appointment of Shri Sunit Nath Sahay as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Sunit Nath Sahay does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 7, as an Ordinary Resolution.



Directors' Report

To,
Dear Shareholders,
Ladies & Gentlemen,

Your Directors are pleased to present **2nd Annual Report** of the Company along with the Audit Financial Statements during the Financial Year ending 31st March, 2017.

POWERGRID Medinipur Jeerat Transmission Limited (PMJTL), formerly known as Medinipur Jeerat Transmission Limited was incorporated on 22nd January, 2016 as wholly owned Subsidiary Company of PFC Consulting Limited. The Company was acquired by POWERGRID on 28th March, 2017 under Tariff Based Competitive Bidding for establishing Transmission System for "765 kV Strengthening in Eastern Region (ERSS-XVIII). Consequent to such acquisition, PNMTL become the wholly owned subsidiary of POWERGRID w.e.f. 28.03.2017.

Status of Project implementation:

The Company is implementing following elements under its Project:

- (i) 765/400 kV, 2 X 1500 MVA Substation at Medinipur;
- (ii) 765/400 kV, 2 X 1500 MVA Substation at Jeerat (new);
- (iii) Ranchi (new) – Medinipur 765 kV D/C line;
- (iv) LILO of both circuits of Chandithala–Kharagpur 400 kV D/C line at Medinipur;
- (v) Jeerat (new) – Subhasgram 400 kV D/C line;
- (vi) Jeerat (new) – Jeerat (WBSETCL) – 400 kV D/C line;
- (vii) LILO of Jeerat (WBSETCL) – Subhagram (POWERGRID) 400 kV S/C section at Rajarhat (POWERGRID);
- (viii) 2 numbers of 400 kV GIS Line bays at Jeerat (WBSETCL).
- (ix) 765 kv Medinipur-Jeerat D/C line

The land for 765/400kV Medinipur Substation and 765/400kV Jeerat Substation are expected to be acquired / purchased by the Company November/December, 2017 and construction work of the said Substations may commence from December, 2017 / January, 2018.

Route alignment of (i) 765kV D/C Ranchi-Medinipur Transmission Line (273 kms.) (ii) 765kV D/C Medinipur - Jeerat Transmission Line (166 kms.), (iii) 400kV D/C Chanditala–Kharagpur at Medinipur Transmission Line (71 kms.), (iv) 400kV D/C Jeerat (New) – Jeerat (WBSETCL) Transmission Line (24 kms.), (v) 400kV D/C Jeerat (New) – Subhashgram Transmission Line (70 kms. out of 90 kms.) have already been completed. Detail survey, check survey & foundation work are under progress / would be undertaken for the aforesaid elements. Erection work for 765kV D/C Ranchi-Medinipur Transmission Line, 765kV D/C Medinipur - Jeerat Transmission Line and 400kV D/C Chanditala – Kharagpur at Medinipur Transmission Line are expected to commence from December, 2017 / January, 2018.

Share Capital of the Company:

As on 31.03.2017, the Paid-up Share Capital of the Company was 1.00 crore (divided into 10,00,000 Equity Shares of Rs.10/- each).

Dividend and Transfer to Reserves

Your Company's Project is under implementation hence there is no operating profit.

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.

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 2016-17, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or 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 for the financial year 2016-17 on a going concern basis.
- 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.

Extract of Annual Return

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

Statutory Auditors Report for Financial Year 2016-17

M/s. Rajeev Amitabh & Co. Chartered Accountants have carried out statutory audit for the Financial Year 2016-17. The Statutory Auditors' Report on the Accounts of the Company for the Financial Year ended 31st March, 2017 contain no qualification or observation.

Statutory Auditor for the Financial Year 2017-18

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s. Jain Seth & Co., Chartered Accountants, Kolkata have been appointed for the Financial Year 2017-18.

Comptroller and Auditors General's Comments

Principal Director of Commercial Audit and Ex-officio Member, Audit Board-III, Indian Audit and Accounts Department, office of the Director General of Commercial Audit, vide letter dated 22nd September, 2017, has communicated that Comptroller and Auditor General of India have decided not to conduct the supplementary audit of financial statements of POWERGRID Medinipur Jeerat Transmission Limited for the year ended 31st March, 2017 under Section 143(6)(a) of the Companies Act, 2013. Copy of letter dated 22nd September, 2017 is placed at **Annexure-III** to this Report.

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

Since projects are under implementation, no commercial activity was carried out by the Company, requirement of 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 is not applicable.

Particulars of Loans, Guarantees or Investments

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

Fixed Deposit

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

Board of Directors and Key Managerial Personnel

On acquisition of the Company, Shri Prabhakar Singh, Shri Bharat Bhushan, Shri D.K. Valecha, and Shri Ranjan Kumar Srivastava were appointed as Director of the Company. Shri H.K. Das and V.K. Jain resigned from the post of Directorship of the Company w.e.f. 28.03.2017. As on 31st March, 2017, the Board comprised of 05 Non-Executive Directors - Shri Prabhakar Singh, Shri Bharat Bhushan, Shri D.K. Valecha, Shri Ranjan Kumar Srivastava and Shri P.C. Hembram. POWERGRID had nominated Shri Sunit Nath Sahay as the Part-time Director of the Company. Shri Sunit Nath Sahay has been allotted Director Identification Number (DIN) on 28.09.2017. He has been appointed as Additional Director of the Company w.e.f. 28.09.2017.

Pursuant to Section 161 of the Companies Act, 2013, Shri Prabhakar Singh, Shri Bharat Bhushan, Shri D.K. Valecha, Shri Ranjan Kumar Srivastava and Shri Sunit Nath Sahay Directors of the Company would hold office till the date of the AGM and are eligible for appointment.

Detail of Director or Key Managerial Personnel:

The following are the Directors of the Company at the Year ended 31.03.2017:

1. Shri Prabhakar Singh , Director & Chairman of the Company
2. Shri Bharat Bhushan, Director
3. Shri D.K. Valecha, Director
4. Shri Ranjan Kumar Srivastava, Director
5. Shri P.C. Hembram, Director
6. Shri B. Ghosh, Chief Executive Officer (Part-time)
7. Shri H.Q. Huda, Deputy Chief Executive Officer (Part-time)
8. Shri S.S. Sur, Chief Financial Officer (Part-time) w.e.f. 15.05.2017.

**Number of Board meetings held during the year**

During the financial year ended 31st March, 2017 fourteen (14) Board meetings were held on 12.05.2016, 10.06.2016, 18.07.2016, 23.08.2016, 19.09.2016, 05.10.2016, 28.11.2016, 13.12.2016, 15.12.2016, 07.02.2017, 20.02.2017, 28.03.2017 (11:00 AM), 28.03.2016 (4:30 PM) and 31.03.2017. Detail of Meetings attended by each Director is given below:

Name of Director	Designation	Board Meeting attendance during FY 2016-17
Shri S. Mulchandani ^{@1}	Chairman	05
Shri H.K. Das ^{@2}	Director	13
Shri V.K. Jain ^{@2}	Director	13
Shri P.C. Hembram ^{@3}	Director	10
Shri Prabhakar Singh*	Chairman & Director	02
Shri Bharat Bhushan**	Director	Nil
Shri D.K. Valecha**	Director	02
Shri Ranjan Kumar Srivastava**	Director	02

^{@1}Resigned w.e.f. 19.09.2016.

^{@2} Resigned w.e.f 28.03.2017

^{@3}Joined Board w.e.f. 23.08.2016 and resigned w.e.f. 17.04.2017.

*Appointed as Director & Chairman of the Company w.e.f. 28.03.2017.

**Appointed as Director of the Company w.e.f. 28.03.2017.

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.

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 is not required to be given.

Acknowledgement

The Board of Directors with deep sense of appreciation acknowledges the guidance and cooperation received from POWERGRID, Comptroller and Auditor General of India, Auditors of the Company.

**For and on behalf of the Board of Directors
POWERGRID Medinipur Jeerat Transmission Limited**

Sd/-
(Prabhakar Singh)
Chairman
DIN: 01391766

Place: New Delhi

Date: 28th September, 2017

Annexure-I

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 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	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 and back to back servicing, or a combination thereof, upto an amount of ₹ 2,800 crore from POWERGRID. During the year ending 31.03.2017, no Inter-corporate Loan has been availed and the Paid-up Share Capital of the Company also remained at ₹ 1.00 Lakh. 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.
c	Duration of the contracts / arrangements / 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	-

By order of the Board
For POWERGRID Medinipur Jeerat Transmission Limited

Sd/-

[Prabhakar Singh]
(Chairman)
DIN: 01391766

Dated: 28th September,2017
Place: New Delhi.



POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U40300DL2016GOI290075
2.	Registration Date	22/01/2016
3.	Name of the Company	POWERGRID MEDINIPUR -JEERAT TRANSMISSION LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	B-9 Qutab Institutional Area,, Katwaria Sarai, South Delhi-110016
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Develop Power System Network	40105	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
POWERGRID 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. Promoters									
(1) Indian									
a) Individual (Jointly with Power Grid Corporation of India Limited) at the end of year		600	600	6		6	6	0.06	(5.94)
b) Central Govt									

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	
c) State Govt(s)									
d) Bodies Corp.		9400	9400	94		9994	9994	99.94	5.94
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)		10000	10000	100		10000	10000	100	NIL
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 up to ₹ 1 lakh		0	0	0		0	0	0	NIL
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Non-Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-		0	0	0		0	0	0	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		10000	10000	100		10000	10000	100	NIL



ii. Shareholding of Promoters

SN	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 shares	
1	PFC CONSULTING LIMITED	9400	94	NIL	0	0	NIL	100
2	PREM PRAKASH SRIVASTAVA	100	1	NIL	0	0	NIL	100
3	SUBIR MULCHANDANI	100	1	NIL	0	0	NIL	100
4	YOGESH JUNEJA	100	1	NIL	0	0	NIL	100
5	RIZWANUR RAHMAN	100	1	NIL	0	0	NIL	100
6	PURN A CHANDRA HEMBRAM	100	1	NIL	0	0	NIL	100
7	VIRENDER KUMAR JAIN	100	1	NIL	0	0	NIL	NIL
8	POWER GRID CORPORATION OF INDIA LIMITED	0	0	NIL	9994	99.94	NIL	99.94
9	SHRI RAVI P SINGH	0	0	NIL	1	0.01	NIL	0.01
10	SHRI PRABHAKAR SINGH (Jointly with POWERGRID)	0	0	NIL	1	0.01	NIL	0.01
11	SHRI R P SASMAL (Jointly with POWERGRID)	0	0	NIL	1	0.01	NIL	0.01
12	SHRI K SREEKANT (Jointly with POWERGRID)	0	0	NIL	1	0.01	NIL	0.01
13	SHRI R K SRIVASTAVA (Jointly with POWERGRID)	0	0	NIL	1	0.01	NIL	0.01
14	SHRI A K SINGHAL (Jointly with POWERGRID)	0	0	NIL	1	0.01	NIL	0.01

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

SN	Particulars	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
1.	PFC CONSULTING LIMITED				
	At the beginning of the year	9400	94	9400	94
	DUE TO TRANSFER OF 9400 SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
2.	PREM PRAKASH SRIVASTAVA				
	At the beginning of the year	100	1	100	1
	DUE TO TRANSFER OF 100 SHARES ON 19.09.2016	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
3.	SUBIR MULCHANDANI				
	At the beginning of the year	100	1	100	1
	DUE TO TRANSFER OF 100 SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
4.	YOGESH JUNEJA				
	At the beginning of the year	100	1	100	1
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
5.	RIZWANUR RAHMAN				
	At the beginning of the year	100	1	100	1
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
6.	PURNA CHANDRA HEMBRAM				
	At the beginning of the year	100	1	100	1
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
7.	VIRANDRA KUMAR JAIN				
	At the beginning of the year	100	1	100	1
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	0	0	0	0

SN	Particulars	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
8.	POWER GRID CORPORATION OF INDIA LIMITED				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	9994	99.94	9994	99.94

SN	Particulars	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
9.	SHRI RAVI P SINGH				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	1	0.01	1	0.01

SN	Particulars	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
10.	SHRI PRABHAKAR SINGH				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	1	0.01	1	0.01

SN	Particulars	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
11.	SHRI R P SASMAL				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	1	0.01	1	0.01

SN	Particulars	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
12.	SHRI K SREEKANT				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	1	0.01	1	0.01

SN	Particulars	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
13.	SHRI R K SRIVASTAVA				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	1	0.01	1	0.01

SN	Particulars	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
14.	SHRI A K SINGHAL				
	At the beginning of the year	0	0	0	0
	DUE TO TRANSFER OF SHARES ON 28.03.2017	0	0	0	0
	At the end of the year	1	0.01	1	0.01

iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	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	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0



v. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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
1.	Shri Prabhakar Singh				
	At the beginning of the year	0	0	0	0
	Due to transfer of shares on 28.03.2017	0	0	1	0.0001
	At the end of the year	0	0	1	0.0001

SN	Shareholding of each Directors and each Key Managerial Personnel	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
2.	Shri R. K. Srivastava				
	At the beginning of the year	0	0	0	0
	Due to transfer of shares on 28.03.2017	0	0	1	0.0001
	At the end of the year	0	0	1	0.0001

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	0	2473231	0	2473231
i) Principal Amount	0		0	
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0		0	
Change in Indebtedness during the financial year				
* Addition	0	0	0	
* Reduction	0	2473231	0	0
Net Change	0	2473231	0	2473231
Indebtedness at the end of the financial year				
i) Principal Amount	0		0	
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		MD	WTD	Manager	---	
1	Gross salary	NIL	NIL	NIL		NIL
	(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		NIL			NIL
3	Sweat Equity		NIL			NIL
4	Commission - as % of profit - others, specify...		NIL			NIL
5	Others, please specify		NIL			NIL
	Total (A)					
	Ceiling as per the Act		NA			NA

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors		NIL			
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors		NIL			
	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:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	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		NIL		
	(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				
	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		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

By order of the Board
For Powergrid Medinipur Jeerat Transmission Limited

Sd/-
[Prabhakar Singh]
Chairman
DIN: 01391766

Dated: 28th September, 2017
Place: New Delhi.

**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 2017**

The preparation of financial statements of Powergrid Medinipur Jeerat Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Medinipur Jeerat Transmission Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

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



(Ritika Bhatia)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi

Dated: 22 September 2017

**Balance Sheet** as at 31st March, 2017

(Amount in ₹)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
ASSETS			
Non-current assets			
Capital work-in-progress	4	191,977,539	2,593,007
		191,977,539	2,593,007
Current Assets			
Financial Assets			
Cash and cash equivalents	5	3,014,250	99,550
		3,014,250	99,550
TOTAL		194,991,789	2,692,557
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	100,000	100,000
(b) Other Equity	7	(17,720)	(17,720)
		82,280	82,280
Liabilities			
Current liabilities			
Financial Liability			
(i) Borrowings	8	-	2,473,231
(ii) Other current financial liabilities	9	194,909,509	45,515
Other current liabilities	10	-	91,531
		194,909,509	2,610,277
TOTAL		194,991,789	2,692,557

The accompanying notes (1 to 27) form an integral part of financial statements

As per our report of even date

Rajeev Amitabh & Co.Chartered Accountants
Firm Reg No. : 009942N**CA Rajeev Jain**(Partner)
M. No. 086129Place : New Delhi
Date : 10th August, 2017

For and on behalf of Board of Directors

Prabhakar SinghChairman
DIN: 01391766**Ranjan Kumar Srivastava**Director
DIN: 07338796

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue from operations		-	-
II Other income	11	-	-
III Total Income (I+II)		-	-
IV Expenses			
Finance costs	12	-	-
Other Expenses	13	-	-
Preliminary Expenses		-	17,720
Total Expenses (IV)		-	17,720
V Profit before tax (III-IV)		-	(17,720)
VI Tax expense		-	-
VII Profit for the period (V-VI)		-	(17,720)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period (VII+VIII)		-	(17,720)
X Earning Per equity share (par value of ₹ 10 each):			
- Basic (₹)		-	(1.77)
- Diluted (₹)		-	(1.77)

The accompanying notes (1 to 27) form an integral part of financial statements

As per our report of even date

Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg No. : 009942N

CA Rajeev Jain
(Partner)
M. No. 086129

Place : New Delhi
Date : 10th August, 2017

For and on behalf of Board of Directors

Prabhakar Singh
Chairman
DIN: 01391766

Ranjan Kumar Srivastava
Director
DIN: 07338796

**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	-	(17,720)
Operating profit/(loss) before working capital change	-	(17,720)
Adjustment for:		
Increase/(Decrease) in other current financial liabilities	194,863,994	45,515
Increase/(Decrease) in other current liabilities	(91,531)	91,531
Net cash flow from operating activities	194,772,463	119,326
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital work in progress (CWIP)	(189,384,532)	(2,593,007)
Net cash used in Investing activities	(189,384,532)	(2,593,007)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital during the year	-	100,000
Loans repaid during the year	(2,473,231)	-
Loans raised during the year	-	2,473,231
Net cash flow/used from/in financing activities	(2,473,231)	2,573,231
D. Net change in Cash and Cash equivalents (A+B+C)	2,914,700	99,550
E. Cash and Cash equivalents (opening balance)	99,550	-
F. Cash and Cash equivalents (closing balance)	3,014,250	99,550

Note:

Previous year figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date

For and on behalf of Board of Directors

Rajeev Amitabh & Co.Chartered Accountants
Firm Reg No. : 009942N**CA Rajeev Jain**(Partner)
M. No. 086129Place : New Delhi
Date : 10th August, 2017**Prabhakar Singh**Chairman
DIN: 01391766**Ranjan Kumar Srivastava**Director
DIN: 07338796

Statement of Changes in Equity for the year ended 31st March, 2017

A. Equity Share Capital

(Amount in ₹)

Particulars	Total
As at 1st April, 2015	-
Changes in equity share capital	100,000
As at 31st March, 2016	100,000
Changes in equity share capital	-
As at 31st March, 2017	100,000

B. Other Equity

(Amount in ₹)

Particulars	Reserve and Surplus	Total
	Retained Earnings	
Balance at 1st April, 2015	-	-
Total Comprehensive Income for the year	(17,720)	(17,720)
Balance at 31st March, 2016	(17,720)	(17,720)
Total Comprehensive Income for the year	-	-
Balance at 31st March, 2017	(17,720)	(17,720)

As per our report of even date

For and on behalf of Board of Directors

Rajeev Amitabh & Co.

 Chartered Accountants
 Firm Reg No. : 009942N

CA Rajeev Jain

 (Partner)
 M. No. 086129

Place : New Delhi

Date : 10th August, 2017
Prabhakar Singh

 Chairman
 DIN: 01391766

Ranjan Kumar Srivastava

 Director
 DIN: 07338796



Notes to Financial Statements

1. Corporate & General Information

Powergrid Medinipur Jeerat Transmission Limited (formerly Medinipur-Jeerat Transmission Limited) ("the Company") is a company domiciled and incorporated in India on 22nd February, 2016 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 28th March, 2017 through Tariff based competitive bidding from M/s PFC Consulting 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 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 31st March, 2017 were approved for issue by the Board of Directors on 10th August, 2017.

2. Significant Accounting Policies

2.1. A 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 thereof.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note-26 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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 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 rupees, 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).

2.1.B Company does not have any Inventory, Intangible Assets, Intangible assets under development, Property, Plant and Equipment etc as on the date of balance sheet. However, the Company has formulated the following accounting policies for compliance whenever required.

2.2 Property, Plant and Equipment

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First-time adoption of Indian Accounting standard'.

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, 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 term 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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

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



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.

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.

Mobile phones are charged off in the year of purchase.

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.

Depreciation/ Amortization 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.

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 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 rate & methodology notified by the CERC.

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

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

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 Regulations. Leasehold land acquired on perpetual lease is not amortized.

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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.

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, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets 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 group 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 effective rate of interest.

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. 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 or Loss as other income or finance cost.

Offsetting of financial instruments

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

2.12 Foreign Currency Translation**(a) Functional and presentation currency**

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

(b) Transactions and balances

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

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.

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

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.

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.

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 years profit to mitigate future losses from uninsured risks. The same 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'.

3. Critical Estimates:

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

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4. Capital work in progress

(Amount in ₹)

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-14)	2,593,007	189,384,532	-	-	191,977,539
Total	2,593,007	189,384,532	-	-	191,977,539

Particulars	As at 1st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2016
Expenditure pending allocation					
Expenditure during construction period(net) (Note-14)	-	2,593,007	-	-	2,593,007
Total	-	2,593,007	-	-	2,593,007

5 Cash and cash equivalents

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance with banks-		
-In Current accounts	3,014,250	99,550
-In designated current accounts(Advance received from clients related to Consultancy Assignments)		
In term deposits (With maturity less than 3 months)		-
Drafts/Cheques in hand		-
Cash in hand		
Remittances in transit		0.00
Others (Stamps and Imprest)		
Total	3,014,250	99,550

Further notes:

Balance in current account includes:

- 1) ₹ 5.93 crore (Previous year ₹ 4.31 Crore) towards unclaimed Dividend
- 2) ₹ 1140.40 crores Crore (Previous year ₹ 1399.22 crore) lying in designated accounts to be utilised for specified purposes.

Details of Specified Bank Notes (SBN)

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing Cash in hand as on 30.12.2016	Nil	Nil	Nil

6 Equity Share capital

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Equity Share Capital		
Authorised		
10000 (Previous year 10000) equity share of ₹ 10/- each at par	100,000	100,000
Issued, subscribed and paid up		
10000 (Previous year 10000) equity share of ₹ 10/- each at par fully paid up	100,000	100,000
Total	100,000	100,000

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, 2017		For the year ended 31st March, 2016	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Shares outstanding at the beginning of the year	10,000	100,000	-	-
Shares Issued during the year	-	-	10,000	100,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

- 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.s

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited*	10000	100%	-	-
PFC Consulting Limited**	-	-	10000	100%

* Equity Share are held by M/s Power Grid Corporation of India Ltd and through its nominees.

**Equity shares held by M/s PFC Consulting Limited and through its nominees.



7 Other Equity

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Reserves and Surplus		
Capital Reserve		
Securities Premium Reserves		
Bonds Redemption Reserve		
Self Insurance Reserve		
Corporate Social Responsibility (CSR) Activity Reserve		
General Reserve		
Other Reserve		
Retained Earnings		
Balance at the beginning of the year	(17,720)	-
Addition during the year	-	(17,720)
Profit after tax as per Statement of Profit & Loss		
Transfer from Bond Redemption Reserve		
Other Adj		
Dividend tax adjusted		
Less: Appropriations		
Bonds Redemption Reserve		
CSR Activities Reserve		
LDC Development Reserve		
Self Insurance Reserve		
Dividend tax adjusted		
General Reserve		
Interim dividend paid		
Tax on Interim dividend		
Proposed Dividend		
Tax on proposed Dividend		
Balance at the end of the year	(17,720)	(17,720)
	(17,720)	(17,720)
Other Reserves		
Other Comprehensive Income Reserve		
As per last balance sheet		
Additions during the year		
Deductions during the year		
Total	(17,720)	(17,720)

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Bonds Redemption Reserve

Bonds Redemption Reserve is created by companies that have issued Bonds to protect the interests of bond holders. Companies Act requires every company to credit adequate amounts to BRR from its profits every year until such bonds are redeemed.

Self Insurance Reserve

Self Insurance Reserve is created @ 0.1% p.a. on Gross block of Fixed Assets (except assets covered under Mega insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self Insurance reserve" under 'Reserves and Surplus'.

Corporate Social Responsibility(CSR) Activity Reserve

Corporate Social Responsibility Reserve is created to book the surplus arising out of CSR activities as required by Companies Act.

General Reserve

General Reserve are retained earnings of company which are kept aside out of company's profits to meet future (known or unknown) obligations. It is a free reserves which can be utilized --To settle any unknown future contingencies; To increase the working capital; To strengthen the financial position of the company; To pay dividends to shareholders more than specified limits

Note 8/Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured		
From PFC Consulting Limited (Holding Company)*	-	2,473,231
Total	-	2,473,231

Note:

*ceased to be Holding Company w.e.f. 28th March, 2017

Note 9/Other current financial liabilities

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued but not due on borrowings from		
PFC Consulting Limited (Holding Company)*	-	16,890
Others		
Expenses payable	-	28,625
Payable to Power Grid Corporation of India Ltd (Holding Company)	194,909,509	-
Total	194,909,509	45,515

Note:

Disclosure with regards to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act" is given in Note No 16.

*ceased to be Holding Company w.e.f. 28th March, 2017

Note 10/Other current liabilities

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Statutory dues	-	91,531
Total	-	91,531

**Note 11/ Other income**

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of RFP	3,000,000	-
Less: Transferred to Expenditure during construction (Net) (Note-14)	3,000,000	-
Total	-	-

Note 12/ Finance costs

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expenses	998,382	18,902
Less: Transferred to Expenditure during construction (net) (Note-14)	998,382	18,902
Total	-	-

Note 13/ Other Expenses

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Manpower Charges	9,470,431	1,066,524
Payments to the auditor:		
- Audit fee	28,750	28,625
Legal, Professional and Consultancy Charges	174,429,847	59,071
Advertisement Expenses	2,516,896	1,222,936
CERC petition & other charges	2,600,000	-
Tour & Travels	232,114	81,168
Other Administrative Expenses	1,487,016	115,781
Interest Expenses		
Admin- Books & Periodicals		-
Canteen Expenses		
Lease Rent Vehicle		
Admin- Local Conveyance		
Manpower for Vehicle		
Official Hospitality		
Photography Expense		
Postage and Courier		
Repairs and Maintenance	22,311	-
Security Expenses	306,881	-
Telephone Expenses	93,731	-
Vehicle Running Expenses	198,173	-
	191,386,150	2,574,105
Less: Transferred to Expenditure during construction (net) (Note-14)	191,386,150	2,574,105
Total	-	-

Note 14/ Expenditure during construction (Net)s

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. Other Expenses		
Manpower Charges	9,470,431	1,066,524
Payments to the auditor:		
- As auditor	28,750	28,625
Legal, Professional and Consultancy Charges	174,429,847	59,071
Advertisement Expenses	2,516,896	1,222,936
CERC petition & other charges	2,600,000	-
Tour & Travels	232,114	81,168
Other Administrative Expenses	1,487,016	115,781
Repairs and Maintenance	22,311	-
Security Expenses	306,881	-
Telephone Expenses	93,731	-
Vehical Running Expenses	198,173	-
Total (A)	191,386,150	2,574,105
B. Finance Costs		
Interest Expenses	998,382	18,902
Total (B)	998,382	18,902
C. Less: Other Income		
Sale of RFP	3,000,000	-
Total (C)	3,000,000	-
Grand Total (A+B-C)	189384532	2593007

15. Consequent to the selection of successful bidder, M/s Power Grid Corporation of India Limited (PGCIL) (Successful Bidder) as per Tariff based competitive bidding guidelines for transmission services and guidelines for encouraging competition in development of transmission projects dated 13/04/2006 (as amended from time to time) and as per bidding documents issued, the 100% Shareholding of the company is being transferred to M/s Power Grid Corporation of India Limited (PGCIL) (Successful Bidder) vide Share purchase Agreement dated March 28, 2017 by the M/s PFC Consulting Limited (PFCL) (transferor). After transfer, the company was ceased to be a subsidiary of PFCL, and become subsidiary of Power Grid Corporation of India Limited.
16. 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).
17. (a) There are no employees on the payroll of the company. As such the obligation as per Ind AS 19 'Employee Benefits' does not arise.
- (b) All expenses are incurred on behalf of the Company by then holding company PFCL and charged to the company on actual basis by way of raising debit note/invoices. Original supporting bills in respect of such expenditure incurred by the PFCL are in the name of PFCL and retained by them of which copies are available with the Company. PFCL is complying with all statutory provisions relating to the deduction of tax at sources and service tax etc. as applicable to these expenses.

18. Fair Value Measurements

(Amount in ₹)

Financial Instruments by category	31st March, 2017		31st March, 2016	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Cash & Cash Equivalents	-	30,14,250	-	99,550
Total Financial assets		30,14,250		99,550
Financial Liabilities				
Borrowings	-	19,49,09,509	-	24,73,231
Other Current Financial Liabilities	-	-	-	45,515
Total financial liabilities	-	19,49,09,509	-	25,18,746

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.

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.

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.

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.

Fair value of financial assets and liabilities measured at amortized cost

The carrying amounts of cash and cash equivalents, borrowings 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**

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-Mar-2017 Holding	31-Mar-2016 Holding
Powergrid Corporation of India Limited	India- Holding Company	100%	-
PFC Consulting Limited *	India- Holding Company	-	100%

* ceased to be Holding Company w.e.f. 28th March, 2017

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-Mar-2017	31-Mar-2016
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	-	-
Powergrid Jabalpur Transmission Limited	India-Fellow Subsidiary	-	-
Power System Operation Corporation Limited *	India-Fellow Subsidiary	-	-
Grid Conductors Limited	India-Fellow Subsidiary	-	-

*ceased to be subsidiary of holding company w.e.f. 2nd January 2017

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31-Mar-2016	01-Apr-15
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	-	-	-
Energy Efficiency Services Limited*	India-JV of Holding	-	-	-
Bihar Grid Company Limited	India-JV of Holding	-	-	-
Kalinga Vidyut Prasaran Nigam Private Limited	India-JV of Holding	-	-	-



Name of entity	Place of business/ country of incorporation/ Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31-Mar-2016	01-Apr-15
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	-	-	-

*ceased to be Joint Venture of holding company w.e.f. 25th April 2016

(d) Key Management Personnel

Name	Designation	Date of Appointment	Date of Cessation
Sh. Prabhakar Singh	Part time Chairman & Director	28/03/2017	-
Sh. D. K. Valecha	Director	28/03/2017	-
Sh. Bharat Bhushan	Director	28/03/2017	-
Sh. R. K. Srivastava	Director	28/03/2017	-
Sh. Bhabataran Ghosh	CEO	28/03/2017	-
Sh. Subir Mulchandani	Chairman	-	19/09/2016
Sh. Hemant Kumar Das	Chairman	-	28/03/2017
Sh. Virendra Kumar Jain	Director	-	28/03/2017
Sh. Purna Chandra Hembram	Director	-	28/03/2017

(e) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Services received by the Company		
PFC Consulting Limited	17,25,00,000	-
Total	17,25,00,000	-

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

(Amount in ₹)

Particulars	As on 31 March, 2017	As on 31 March, 2016
Other payables		
Power grid Corporation of India Ltd.	19,49,09,509	-
Other payables to related parties	19,49,09,509	-

Loans from related parties

Particulars	As on 31 March, 2017	As on 31 March, 2016
Other payables		
PFC Consulting Limited	-	24,73,231
Total	-	24,73,231

Interest accrued on Loans

Particulars	As on 31 March, 2017	As on 31 March, 2016
Other payables		
PFC Consulting Limited	-	16,890
Total	-	16,890

20. Capital and other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is **NIL**.

21. Contingent Liabilities and Contingent Assets

There is no Contingent Liabilities & Contingent Assets as at 31st March 2017 (Nil at 31st March 2016).

22. 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.

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 2017 and 31 March 2016.

24. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2017	31 March, 2016
From Continuing Operations	-	(1.77)
Total basic & diluted earnings per share attributable to the equity holders of the company	-	(1.77)

(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2017	31 March, 2016
Earnings attributable to the equity holders of the company	-	(17,720)
Total Earnings attributable to the equity holders of the company	-	(17,720)



(c) Weighted average number of shares used as the denominator	31 March, 2017 No. of shares	31 March, 2016 No. of shares
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

25. Financial Risk Management:

The Company's principal financial liabilities comprise other current financial. 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 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 and loans and advance 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.

Other Financial Assets

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 3014250 (31st March, 2016: ₹ 99550). 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:

(Amount in ₹)

Particulars	31 st March, 2017	31 st March, 2016
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	3014250	99550
Total	3014250	99550
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	NIL	NIL

- **Provision for expected credit losses**

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) **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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31st March 2017				
Other financial liabilities	19,49,09,509	-	-	19,49,09,509
Total	19,49,09,509	-	-	19,49,09,509
31st March 2016				
Other financial liabilities	25,18,746	-	-	25,18,746
Total	25,18,746	-	-	25,18,746

- 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:

- Currency risk
- Interest rate risk

i) Currency risk

The Company is not exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchases consideration is denominated in foreign currency. 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.

26. First time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017 and the comparative information presented in these financial statements for the year ended 31 March 2016 . M/s Powergrid Corporation of India Limited has acquired 100% equity in M/s Powergrid Medinipur Jeerat Transmission Limited (formerly Medinipur-Jeerat Transmission Limited) on 28th March, 2017 from M/s PFC Consulting Limited.



Reconciliation of equity as at 31st March 2016

There is no impact of Ind AS as on 31st March 2016 in total equity. So there is no change in total equity as on 31st March 2016.

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

There is no impact of Ind AS as on 31st March 2016 in Total Comprehensive Income. So there is no change in Total Comprehensive Income as on 31st March 2016.

Impact of Ind AS adoption on the Statements of Cash Flows for the year ended 31st March 2016

There is no impact of Ind AS as on 31st March 2016 in Statements of Cash Flows. So there is no change in Statements of Cash Flows as on 31st March 2016.

- 27.** (a) Figures have been rounded off to nearest off to nearest rupees.
(b) Previous year figures have been regrouped/rearrange wherever necessary.

As per our report of even date

For & on behalf of

Rajeev Amitabh & Co.

Chartered Accountants
Firm Reg No. : 009942N

CA Rajeev Jain

(Partner)
M. No. 086129

Place : New Delhi

Date : 10th August, 2017

For and on behalf of Board of Directors

Prabhakar Singh

Chairman
DIN: 01391766

Ranjan Kumar Srivastava

Director
DIN: 07338796

INDEPENDENT AUDITORS' REPORT

To the Members of **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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, read with relevant rule issued there under.

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, 2017, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our report expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

- 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.
- 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 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 no pending litigations on its financial position in its 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.
 - iv. The company has provided requisite disclosures in Note No 5 these Ind AS financial statements as to holding of Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, on the basis of information available with the company. Based on audit procedures, and relying on management's representations we report that disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management.

For Rajeev Amitabh & Co.

Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain

(Partner)
M.No.: 086129

Place: New Delhi

Date: 10th August, 2017

As referred to in our Independent Auditors' Report to the members of the **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) ('the Company'), on the financial statements for the year ended 31st March, 2017, we report that:

- (i) The company has no Fixed Assets other than Capital work in progress. Hence the provisions of clause (i) of paragraph 3 of the Order are not applicable.
- (ii) The Company does not hold any inventories; 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) In our opinion and according to the information and explanation given to us, the company does not given any loan, guarantee and security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the company has complied with the provisions of section 186 of the Act, with respected to the loans made.
- (v) Based on our security of the Company's records and according to information and explanations given to us, in our opinion, the company has not accepted deposit from the public within the provisions of the sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) According to the information and explanations given to us, the Company is has not required to maintained cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise, Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess 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 holder, hence clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Order is not applicable.
- (x) Based upon the audit procedure performed and information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year under audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has not paid/provided for any managerial remuneration during the year as stipulated to section 197 read Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.

For Rajeev Amitabh & Co.s

Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain

(Partner)
M.No.: 086129

Place: New Delhi
Date: 10th August, 2017



Annexure referred to in our report of even date to the members of **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) ('the Company) on the account for the year ended 31st March 2017.

S. No.	Directions	Auditor's comments
1.	Whether the company has clear title / lease deeds for freehold, leasehold land & building and flats? If not, please state the area of the freehold, leasehold land and buildings/flats for which title / lease deeds are not available.	The company does not have any freehold and leasehold land, hence not applicable.
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 such cases.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	There is no inventory in the company and no assets received from Government or other authorities, hence not applicable.

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.

For Rajeev Amitabh & Co.

Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain

(Partner)
M.No.: 086129

Place: New Delhi

Date: 10th August, 2017

As referred to in our Independent Auditors' Report to the members of the **POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED** (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) (**'the Company'**), on the financial statements for the year ended 31st March, 2017.

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, 2017 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, 2017, 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 Rajeev Amitabh & Co.

Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain

(Partner)
M.No.: 086129

Place: New Delhi
Date: 10th August, 2017

POWERGRID VIZAG TRANSMISSION LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40300DL2011GOI228136)

ANNUAL REPORT - 2016-17



POWERGRID VIZAG TRANSMISSION LIMITED
SIXTH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 6th Annual General Meeting of POWERGRID VIZAG Transmission Limited will be held on 21st September, 2017 at 9:30 a.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri S. Vaithilingam (DIN:07107854), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D. K. Valecha (DIN:06847789), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix remuneration of the Statutory Auditors for the Financial Year 2017-18.

SPECIAL BUSINESS

5. To appoint Ms. Susheela Devi (DIN:07828528) as a Director liable to retire by rotation.

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

"Resolved that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and Rules made there under, Ms. Susheela Devi (DIN:07828528) who was appointed as an Additional Director of the Company as per the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. Ratification of remuneration of the Cost Auditors for the Financial Year 2017-18.

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

"Resolved that pursuant to provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 the remuneration of M/s B.V. S. Co., Cost Accountants, Hyderabad as Cost Auditors of the Company as approved by the Board for the Financial Year 2017-18 at ₹ 30,000 (Rupees Thirty Thousand) plus Taxes as applicable to be paid extra be and is hereby ratified."

By order of the Board
For POWERGRID Vizag Transmission Limited

sd/-
Arup Samanta
(Company Secretary)

Dated: 18th September, 2017

Regd. Office:

POWERGRID Vizag Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016.

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting. Blank copy of the Form is enclosed.

- 2) Pursuant to Section 139 (5) of the Companies Act, 2013 ('Act') the Auditors of the Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 5th Annual General Meeting held on 15th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 50,000/- (Rupees Fifty Thousand) plus applicable Goods & Service Tax, Tax Audit Fee of ₹ 25,000 plus applicable Goods & Service Tax and local travel expenses and other incidental out of pocket expenses to be reimbursed as per TA Rules.

Further, the members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the financial year 2017-18, after taking into consideration the volume of work and prevailing inflation.

- 3) All Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m.



EXPLANATORY STATEMENT

Item No.5

Appointment of Ms. Susheela Devi (DIN:07828528) as a Director liable to retire by rotation.

Ms. Susheela Devi, was appointed as an Additional Director on the Board of Vizag Transmission Limited, w.e.f. 02.06.2017 pursuant to the provisions of Section 161 of the Companies Act, 1956. Ms. Susheela Devi holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Ms. Susheela Devi for the office of Director.

Ms. Susheela Devi, aged 56 years is a post graduate in Chemistry from Osmania university with MBA (Fin.). She is General Manager (Finance) of Power Grid Corporation of India Limited and has more than 30 years of experience in various Finance & Accounts functions viz. Works bills, Budgeting, Pay Roll, Concurrence, MIS, Coordination with Auditors, etc. at Regional Headquarters. Prior to this she was working with power major NTPC.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Ms. Susheela Devi are interested or concerned in the resolution financially except to the extent that he or she is a Director and/or shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 5 as an Ordinary Resolution.

Item No.6

Ratification of remuneration of the Cost Auditors for Financial Year 2017-18.

Your Company is under commercial operation from 01.02.2017. As per Section 148(3) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules, 2014, the appointment of Cost Auditor shall be made by Board of Directors on such remuneration as may be determined by the Members.

Accordingly, it was recommended by the Audit Committee and approved by the Board to appoint M/s B. V. S. Co., Cost Accountants, Hyderabad as Cost Auditors for FY 2017-18 at a fee of ₹ 30,000 plus applicable taxes.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the resolution financially except to the extent that he or she is a Director and/or shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

By order of the Board
For POWERGRID Vizag Transmission Limited

sd/-
Arup Samanta
(Company Secretary)

Dated: 18th September, 2017

Regd. Office:

POWERGRID Vizag Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016.

Directors' Report 2016-17

To,

Dear Shareholders,

POWERGRID Vizag Transmission Limited (PVTL) was acquired by POWERGRID 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' from REC Transmission Projects Company Limited (the BID Process co-ordinator). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising Srikakulam-Vemagiri 765kV D/c Line & Khammam-Nagarjunasagar 400kV D/c Line is to traverse the state of Andhra Pradesh and Telengana. As on 31.03.2017, PVTL has Authorised share capital of ₹220 Crore and paid-up share capital of ₹ 209.73 Crore. The Khammam-Nagarjunasagar 400kV D/c Line has been commissioned on 31.12.2015 and Srikakulam-Vemagiri 765kV D/c Line has been commissioned on 01.02.2017.

Financial Results

(in ₹ crore)

Description	2016-17	2015-16
Revenue from Operations	67.58	7.81
Other income	0.38	0.08
Total Income	67.97	7.89
Expenses	98.51	2.60
Profit before Exceptional and Extraordinary items and Tax	(30.54)	5.29
Profit/(Loss)	(21.94)	2.95
Earnings per Equity Share		
- Basic	(1.63)	0.54
- Diluted	(1.63)	0.54

Share Capital

As on 31.03.2017 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

Your Company has not declared any dividend during FY 2016-17.

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.

Fixed Deposit

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.

Director's Responsibility Statement

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

- In the preparation of the Annual Accounts for the financial year 2016-17, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 or 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 for the financial year 2016-17 on a going concern basis.
- 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 Foreign Exchange Earnings 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, 2017, your Company's Board comprised of five Non-Executive Directors namely Shri R.P. Sasmal, Shri Ravi P. Singh, Shri V. Sekhar, Shri S. Vaithilingam and Shri D.K. Valecha.

In accordance with provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Shri S. Vaithilingam and Shri D. K. Valecha shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers for re-appointment.

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

Number of Board meetings held during the year

During the financial year ended 31st March, 2017, thirteen (13) Board meetings were held on 02-06-2016, 22-06-2016, 22-07-2016, 10-08-2016, 22-08-2016, 20-09-2016, 26-09-2016, 22-10-2016, 27-10-2016, 23-11-2016, 15-12-2016, 09-02-2017 and 23-03-2017.

Name of Director	Designation	Board Meeting attendance during 2016-17
Shri R.P. Sasmal	Chairman	13
Shri Ravi P. Singh	Director	10
Shri V. Sekhar	Director	02
Shri D. K. Valecha	Director	11
Shri S. Vaithilingam	Director	13

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.

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:

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 an Audit Committee of the Board of Directors has been constituted on 10th May, 2015. The role, powers, scope of functions of the Audit Committee is as per Section 177 of the Companies Act, 2013 and any other applicable provisions of law, as amended from time to time. The Audit Committee comprises of the following members:

- i) Shri S. Vaithilingam Chairman
- ii) Shri V. Sekhar Member
- iii) Shri D. K. Valecha Member

Number of meetings held:

During FY 2016-17 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 from time to time through issue of Bonds. The Committee of Directors for Bonds presently comprises of the following members:

- | | | |
|------|----------------------|----------|
| i) | Shri R.P. Sasmal | Chairman |
| ii) | Shri S. Vaithilingam | Member |
| iii) | Shri D. K. Valecha | Member |

Number of meetings held: 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. The CSR Committee comprises following Members:

- | | |
|------|---|
| i) | Shri R.P. Sasmal, Chairman of the Committee |
| ii) | Shri Ravi P. Singh, Member |
| iii) | Shri S. Vaithilingam, Member |

Number of meeting held:

During FY 2016-17 one meeting of CSR Committee was held.

(iv) Nomination & Remuneration Committee:

Pursuant to provisions of Section 178 of the Companies Act, 2013 a Nomination & Remuneration Committee of the Board of Directors has been constituted. The role & functions of the Nomination & Remuneration Committee is as per Section 178 of the Companies Act, 2013 and any other applicable provisions of law, as amended from time to time. The Nomination & Remuneration Committee comprises the following members:

- | | | |
|------|----------------------|----------|
| i) | Shri Ravi P. Singh | Chairman |
| ii) | Shri R.P. Sasmal | Member |
| iii) | Shri S. Vaithilingam | Member |

Number of meeting held during FY 2016-17: Nil

Secretarial Auditor

M/s Naveen Chhabra & Associates, Practising Company Secretaries has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2017. The Secretarial Auditor is attached as Annexure-III to this Report. Observations of Secretarial Auditor and explanation by the Board thereon. The Secretarial Auditor in his report has observed as under:

Observations	Explanation by Board
The Company has not complied with the provision of Section 149 of Companies Act, 2013 in respect to the appointment of requisite number of independent directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.	PVTL, being 100% subsidiary of POWERGRID is a Government Company in terms of Section 2(45) of the Companies Act, 2013, hence the power to appoint independent directors vests with Government of India. The matter was taken up with Administrative Ministry for filling two vacancies of Independent Directors on the Board of the Company. Hence, the Company has not been able to comply with the provisions of Section 149, 177 & 178 of the Companies Act, 2013 as observed by Secretarial Auditor.
The Company has not complied with provisions of Section 177 of the Companies Act, 2013 with respect to constitution of Audit Committee.	
The Company has not complied with provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee.	

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.



Statutory Auditors of the Company

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s Ramu & Ravi, Chartered Accountants were appointed for the Financial Year 2016-17.

Comptroller and Auditors General's Comments

Comptroller and Auditor General vide letter dated 7th September, 2017 has given NIL comments report on supplementary audit of the financial statements of the Company for the year ended 31st March, 2017. Copy of letter dated 7th September, 2017 of NIL comments received from C&AG is placed at **Annexure-IV** to this report.

Acknowledgement

The Board of Directors with deep sense of appreciation acknowledges the guidance and cooperation received from POWERGRID, Comptroller and Auditor General of India, Auditors of the Company.

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

Place: Gurgaon
Date: 18-09-2017

sd/-
(R. P. Sasmal)
Chairman
DIN: 02319702

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.

SI 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.

SI 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	1) Inter Corporate Loans 2) Material Given on Replenishment Basis 3) Expenses
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	-
f	Amount paid as advances, if any	NIL

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

sd/-
(R.P. Sasmal)
Chairman
DIN: 02319702

Place : Gurgaon
Date : 18-09-2017



Secretarial Audit Report

Annexure III

For The Financial Year Ended March 31, 2017

To,

The Members,

Powergrid Vizag Transmission Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Powergrid Vizag Transmission Limited** (Formerly known as **Vizag Transmission Limited**) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under; Not Applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; Not Applicable
- (iv) 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; Not Applicable.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Not Applicable
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry is :
 1. The Electricity Act, 2003.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01.07.2015.
- ii. The Listing uniform Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited: Not Applicable

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

1. The Company has not complied with the provision of Section 149 of Companies Act, 2013 in respect to the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.
2. The Company has not complied with provisions of Section 177 of the Companies Act, 2013 with respect to constitution of Audit Committee.
3. The Company has not complied with provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to above mentioned observations. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda generally were sent 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.

All decisions of Board Meeting and Committee Meeting are carried through, while the dissenting member's views, if any, are captured and recorded as part the minutes.

I further report that there are based on the information received and records maintained 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.

For Naveen Chhabra & Associates
Company Secretaries

sd/-

Naveen Kumar Chhabra
Membership No. F8521
C.P No. 9555

Place: Ghaziabad
Date: 21-08-2017

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

Annexure A**Secretarial Audit Report****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 our company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2 We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretariat record. The verification done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practice, 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 regulation and happening of events etc.
- 5 The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
- 6 The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Naveen Chhabra & Associates
Company Secretaries

sd/-

Naveen Kumar Chhabra
Membership No. F8521
C.P No. 9555

Place: Ghaziabad
Date: 21-08-2017



POWERGRID VIZAG TRANSMISSION LIMITED
Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[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.	Registration Date	30 th November 2011
iii.	Name of the Company	POWERGRID VIZAG TRANSMISSION LIMITED (formerly Vizag 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: 011-26560112; Fax:011-26550086
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	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	54729994	54729994	100	0	209729994	209729994	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	0	54730000	54730000	100	0	209730000	209730000	100	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-

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	
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 ₹ 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of ₹ 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	54730000	54730000	100	-	209730000	209730000	100	100

* 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			% 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 shares	
1.	POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)	54729994	100	-	209729994	100	-	-
2.	Shri I.S. Jha, jointly with POWERGRID	01	-	-	01	-	-	-
3.	Shri Ranjan Srivastava jointly with POWERGRID	01	-	-	01	-	-	-
4.	Shri Ravi P. Singh jointly with POWERGRID	01	-	-	01	-	-	-
5.	Shri R.P. Sasmal jointly with POWERGRID	01	-	-	01	-	-	-
6.	Shri Upendra Pande jointly with POWERGRID	01	-	-	01	-	-	-
7.	Shri S. Vaithilingam jointly with POWERGRID	01	-	-	01	-	-	-
	Total	54730000	100	-	209730000	100	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	54729994	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	54729994	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.	For each of Directors and KMP	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	-	-	-	-
1	Shri R. P. Sasmal 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 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	-
3	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	-

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:

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:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	Other Non-Executive Directors • 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 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 Vizag Transmission Limited

sd/-
(R.P. Sasmal)
Chairman
DIN: 02319702

Place : Gurgaon
Date : 18-09-2017



No.:DGCA/A/c/Desk/2016-17/Vizag PGTL/1.3/197

07 September 2017

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 2017

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 2017.

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 2016-17 may please be furnished in due course.

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

Yours faithfully,

(L. Tochwang)
Director General

Encl:- As above

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 2017

The preparation of financial statements of Powergrid Vizag Transmission Limited for the year ended 31 March 2017 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 04 July 2017.

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 2017. 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 & Auditor General of India**



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

Place: Hyderabad
Dated: 07 September 2017

**Balance Sheet** as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	12,711,149,448	1,497,022,800	386,895
(b) Capital Work-in-Progress	5	116,745,911	9,533,881,002	2,764,099,658
(c) Other Non-Current Assets	6	61,932,745	137,827,263	390,921,907
		12,889,828,104	11,168,731,065	3,155,408,460
Current assets				
(a) Financial Assets				
(i) Trade receivables	7	218,250,302	15,022,363	-
(ii) Cash and cash equivalents	8	11,581,362	11,633,037	17,177,691
(iii) Other current financial assets	9	27,047,005	51,718,061	206,538
(b) Other current assets	10	-	226,182	66,182
		256,878,669	78,599,643	17,450,411
Total Assets		13,146,706,773	11,247,330,708	3,172,858,871
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	2,097,300,000	547,300,000	547,300,000
(b) Other Equity	12	(189,857,116)	29,563,065	(28,543)
		1,907,442,884	576,863,065	547,271,457
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
Borrowings	13	10,103,304,595	8,223,604,595	1,383,600,000
(b) Deferred tax liabilities(Net)	14	(73,494,749)	12,513,525	-
		10,029,809,846	8,236,118,120	1,383,600,000
Current liabilities				
(a) Financial Liabilities				
Other current financial liability	15	1,155,885,603	2,412,785,326	1,216,457,092
(b) Other current liabilities	16	53,568,440	21,564,197	25,530,322
(c) Current Tax Liabilities (Net)	17	-	-	-
		1,209,454,043	2,434,349,523	1,241,987,414
Total Equity and Liabilities		13,146,706,773	11,247,330,708	3,172,858,871

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

As per our report of even date

For **Ramu & Ravi**
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(**R.P. Sasmal**)
Chairman
DIN : 02319702

D Kumaraswamy
CFO

(**S. Vaithilingam**)
Director
DIN : 07107854

Arup Kumar Samanta
Company secretary

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations	18	675,877,943	78,094,240
II Other Income	19	3,838,642	851,402
III Total Income (I+II)		679,716,585	78,945,642
IV EXPENSES			
Employee benefits expense	20	-	196,472
Finance costs	21	507,701,763	5,271,894
Depreciation and amortization expense	22	387,409,400	20,272,398
Other expenses	23	90,033,877	287,690
Total expenses (IV)		985,145,040	26,028,454
V Profit/(loss) before exceptional items and tax (I- IV)		(305,428,455)	52,917,188
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		(305,428,455)	52,917,188
VIII Tax expense:			
(1) Current tax		-	10,812,055
(2) Deferred tax		(86,008,274)	12,513,525
IX Profit (Loss) for the period (VII-VIII)		(219,420,181)	29,591,608
X Other Comprehensive Income		-	-
XI Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(219,420,181)	29,591,608
XII Earnings per equity share :			
(1) Basic		(1.63)	0.54
(2) Diluted		(1.63)	0.54

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

As per our report of even date

For **Ramu & Ravi**
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

D Kumaraswamy
CFO

(S. Vaithilingam)
Director
DIN : 07107854

Arup Kumar Samanta
Company secretary

**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Cash Flow from Operating Activities:		
Net profit/Loss as per Statement of Profit & Loss	(219,420,181)	29,591,608
Add: Deferred Tax	(86,008,274)	12,513,525
Operating Profit/Loss before Working Capital Changes	(305,428,455)	42,105,133
Adjustments for Increase/Decrease in:		
- Trade Payables	-	(14,267,502)
- Other Current Liabilities	(1,224,895,481)	1,112,329,917
- Short Term Provisions	-	10,812,055
- Other current Assets	(178,330,701)	(66,693,886)
Cash Generated from Operation (A)	(1,708,654,637)	1,084,285,717
B. Cash Flow from Investing Activities:		
Property Plant & Equipment and Capital Work In Progress	(1,796,991,556)	(8,172,117,555)
Advances for Capital Expenditure	75,894,518	242,282,589
Net Cash generated from Investing Activity (B)	(1,721,097,038)	(7,929,834,966)
C. Cash Flow from Financing Activities:		
- Share Capital	1,550,000,000	-
- Loans obtained during the year	1,879,700,000	6,840,004,595
Net Cash generated from Financing Activity (C)	3,429,700,000	6,840,004,595
D. Net change in Cash and Cash Equivalents (A+B+C)	(51,675)	(5,544,654)
E. Cash and Cash Equivalents (Opening Balance)	11,633,037	17,177,691
E. Cash and Cash Equivalents (Closing Balance)	11,581,362	11,633,037

The accompanying Notes (1 to 38) form an Integral Part of Financial Statements

As per our report of even date

For **Ramu & Ravi**
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(**R.P. Sasmal**)
Chairman
DIN : 02319702

D Kumaraswamy
CFO

(**S. Vaithilingam**)
Director
DIN : 07107854

Arup Kumar Samanta
Company secretary

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

Particulars	(Amount in ₹)
As at 1st April, 2015	547,300,000
Changes in equity share capital	-
As at 31st March, 2016	547,300,000
Changes in equity share capital	1,550,000,000
As at 31st March, 2017	2,097,300,000

B. Other Equity

	Reserves and Surplus					Total
	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2015					(28,543)	(28,543)
Total Comprehensive Income for the year					29,591,608	29,591,608
Transfer to/from retained earnings	7,425,919	1,508,905			(8,934,824)	-
Other Changes						-
Balance at 31st March, 2016	7,425,919	1,508,905			20,628,241	29,563,065
Balance at 1st April, 2016	7,425,919	1,508,905			20,628,241	29,563,065
Total Comprehensive Income for the year					(219,420,181)	(219,420,181)
Balance at 31st March, 2017	7,425,919	1,508,905			(198,791,940)	(189,857,116)

Refer Note 12 for movement and nature of Reserve and Surplus

As per our report of even date

For **Ramu & Ravi**

ICAI FRN : 006610S

Chartered Accountants

K V R Murthy

Partner

Membership No. 200021

Place: Gurgaon

Date: 04th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)

Chairman

DIN : 02319702

(S. Vaithilingam)

Director

DIN : 07107854

D Kumaraswamy

CFO

Arup Kumar Samanta

Company secretary



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 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 31st March 2017 were approved for issue by the Board of Directors on 4th July 2017.

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.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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.

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupees, 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 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-3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Measurement on transition to INDAS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First Time adoption of Indian Accounting standard'.

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, 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 successful completion of trial operation as prescribed under 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.

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)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

Depreciation / Amortisation on assets is provided on straight line method following the rates and methodology notified by CERC for the purpose of recovery of tariff, except for assets specified below



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.

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.

Mobile phones are charged off in the year of purchase.

Depreciation/ Amortization 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.

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

Depreciation on 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.

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

Fixed Assets costing ₹ 5000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

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

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

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 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 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 group 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 effective rate of interest.

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. 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 or Loss as other income or finance cost.

Offsetting of financial instruments

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

2.12 Foreign Currency Translation

- (a) Functional and presentation currency

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

- (b) Transactions and balances

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

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.

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 entered between the Transmission Service Provider and the Long Term Transmission Customers.

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.

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.

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.

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 the Ind-As 7 'Statement of Cash Flow'.

3. Critical Estimates:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

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

Note 4/Property, Plant and Equipment

Particulars	Cost			Accumulated depreciation			Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal during the year	As at 31 st March, 2017	As at 31 st March, 2016
Plant & Equipment	-	-	-	-	-	-	-	-	-
Transmission	1,516,857,677	11,601,224,749	-	13,118,082,426	20,132,522	387,276,353	-	407,408,875	1,496,725,155
Furniture Fixtures	-	56,300	-	56,300	-	5,460	-	5,460	50,840
Electronic Data	363,722	-	-	363,722	139,050	112,329	-	251,379	112,343
Processing & Word	-	-	-	-	-	-	-	-	-
Processing Machines	73,799	-	-	73,799	826	3,897	-	4,723	69,076
Construction and	-	-	-	-	-	-	-	-	-
Workshop equipment	-	255,000	-	255,000	-	11,361	-	11,361	243,639
Workshop & Testing Equipments	-	-	-	-	-	-	-	-	-
Grand Total	1,517,295,198	11,601,536,049	-	13,118,831,247	20,272,398	387,409,400	-	407,681,798	1,497,022,800

Note 4/Property, Plant and Equipment

Particulars	Cost			Accumulated depreciation			Net Book Value		
	As at 1 st April, 2015	Additions during the year	Disposal during the year	As at 31 st March, 2016	As at 1 st April, 2016	Additions during the year	Disposal during the year	As at 31 st March, 2016	As at 1 st April, 2015
Plant & Equipment	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-	-
Transmission	23,173	1,516,834,504	-	1,516,857,677	20,132,522	-	-	20,132,522	1,496,725,155
Electronic Data	363,722	-	-	363,722	139,050	-	-	139,050	224,672
Processing & Word	-	-	-	-	-	-	-	-	-
Processing Machines	-	-	-	-	-	-	-	-	-
Construction and	-	-	-	-	-	-	-	-	-
Workshop equipment	-	73,799	-	73,799	826	-	-	826	72,973
Grand Total	386,895	1,516,908,303	-	1,517,295,198	20,272,398	-	-	20,272,398	386,895

Note - The Company has opted for deemed cost exemption as per Ind AS 101 'First Time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly carrying value i.e. Gross Block less Accumulated depreciation is considered as deemed cost as on the date of transition i.e. 1st April 2015.

Additional Disclosure

Particulars	As at 1 st April, 2015			Cost
	Gross Block	Accumulated Depreciation	Net Block	
Plant & Equipment	-	-	-	-
Transmission	23,550	377	23,173	23,173
Electronic Data	417,194	53,472	363,722	363,722
Processing & Word	-	-	-	-
Processing Machines	-	-	-	-
Grand Total	440,744	53,849	386,895	386,895



Note 5/Capital work-in-progress

(Amount in ₹)

Particulars	As at 1 st April,2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March,2017	As at 31 st March,2016
Land						
Development of land	155,986			155,986	-	155,986
Plant & Equipments (including associated civil works)						
Transmission	7,310,438,474	3,253,438,030		10,563,876,504	-	7,310,438,474
Construction Stores (Net of Provision)	1,566,811,252		1,450,065,342		116,745,911	1,566,811,252
Expenditure pending allocation						
Expenditure during construction period(net) (Note 24)	656,475,290	380,716,969		1,037,192,259	-	656,475,290
Total	9,533,881,002	3,634,154,999	1,450,065,342	11,601,224,749	116,745,911	9,533,881,002

Note 5/Capital work-in-progress

(Amount in ₹)

Particulars	As at 1 st April,2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March,2016
Land					
Development of land		155,986			155,986
Plant & Equipments (including associated civil works)					-
Transmission	1,812,135,708	7,006,693,428		1,508,390,662	7,310,438,474
Construction Stores (Net of Provision)	704,936,119	861,875,133			1,566,811,252
Expenditure pending allocation					
Expenditure during construction period(net) (Note 24)	247,027,831	491,643,763	73,752,462	8,443,842	656,475,290
Total	2,764,099,658	8,360,368,310	73,752,462	1,516,834,504	9,533,881,002

Note- The Company has opted for deemed cost exemption as per Ind AS 101 'First Time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly carrying value is considered as deemed cost as on the date of transition i.e 1st April 2015.

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

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Costruction Stores			
Towers	116,745,911	369,948,232	371,039,390
Conductors	-	827,725,190	141,815,703
Other Line Materials	-	369,137,830	192,081,026
Others			
TOTAL	116,745,911	1,566,811,252	704,936,119
Material with Contractors			
Towers	116,745,911	369,948,232	371,039,390
Conductors	-	827,725,190	141,815,703
Other Line Materials	-	369,137,830	192,081,026
Total	116,745,911	1,566,811,252	704,936,119
Grand total	116,745,911	1,566,811,252	704,936,119

Note 6 / Other Non-current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances for Capital Expenditure			
Unsecured			
Against bank guarantees	-	135,004,832	390,921,907
Advance tax and Tax deducted at source	72,744,800	13,634,486	-
Less: Tax Liabilities	10,812,055	10,812,055	-
	61,932,745	2,822,431	-
TOTAL	61,932,745	137,827,263	390,921,907

Note 7/Trade receivables

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Trade receivables			
Unsecured Considered good	218,250,302	15,022,363	-
TOTAL	218,250,302	15,022,363	-



Note 8/Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balance with banks-			
- In Current accounts	11,581,362	11,633,037	17,167,691
Others (Imprest)	-	-	10,000
Total	11,581,362	11,633,037	17,177,691

Note

Details of Specified Bank Notes

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on 08 th November 2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing Cash in Hand as on 30 th December 2016	Nil	Nil	Nil

Note-9/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unbilled Revenue	27,047,005	51,106,616	-
Others		611,445	206,538
Total	27,047,005	51,718,061	206,538

Note- 10/Other current Assets

(Unsecured considered good unless otherwise stated)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances recoverable in kind or for value to be received			
Contractors & Suppliers	-	66,182	66,182
Others	-	160,000	
Total	-	226,182	66,182

Note 11/Equity Share capital

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Equity Share Capital			
Authorised			
22,00,00,000 equity shares of ₹ 10/- each at par (31 st March, 2016 9,00,00,000 equity shares of ₹ 10/- each at par) (1 st April, 2015, 9,00,00,000 equity shares of ₹ 10/- each at par)	2200000000	900000000	900000000
Issued, subscribed and paid up			
20,97,30,000 equity shares of ₹ 10/-each at par fully paid up (31 st March, 2016 5,47,30,000 equity shares of ₹ 10 each at par fully paid up) (1 st April 2015, 5,47,30,000 equity shares of ₹ 10 each at par fully paid up)	2,097,300,000	547,300,000	547,300,000
Total	2,097,300,000	547,300,000	547,300,000

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, 2017		For the year ended 31 st March, 2016		As at 01-Apr-2015	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Shares outstanding at the beginning of the year	54,730,000	547,300,000	54,730,000	547,300,000	50,000	500,000
Shares Issued during the year	155,000,000	1,550,000,000	-	-	54,680,000	546,800,000
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	209,730,000	2,097,300,000	54,730,000	547,300,000	54,730,000	547,300,000

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 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited	209,730,000	100	54,730,000	100	54,730,000	100

Out of 1,00,000 (50,000 in 31.03.2016) Equity Shares, 6 Equity Shares are Held by Nominees of M/s Power Grid Corporation of India Ltd on its behalf. Out of 50,000 Equity Shares in 01.04.2015, 6 Equity Shares are Held by Nominees of M/s REC Transmission Projects


Note 12 / Other Equity

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Reserves and Surplus			
Bonds Redemption Reserve	7,425,919	7,425,919	-
Self Insurance Reserve	1,508,905	1,508,905	-
General Reserve			
Retained Earnings	(198,791,940)	20,628,241	(28,543)
Total	(189,857,116)	29,563,065	(28,543)
Bonds Redemption Reserve			
As per last balance sheet	7,425,919	-	
Addition during the year		7,425,919	
Deduction during the year			
Balance at the end of the year	7,425,919	7,425,919	-
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	1,508,905	-	
Addition during the year		1,508,905	
Deduction during the year		-	
Balance at the end of the year	1,508,905	1,508,905	-
Self insurance reserve is created @0.12% p.a on the Original cost 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.			
General Reserve			
As per last balance sheet			
Addition during the year			
Deduction during the year			
Balance at the end of the year	-	-	-
General Reserves are retained earnings of the company which are kept aside out of the companies profits.			
Retained Earnings			
As per last balance sheet	20,628,241	(28,543)	(28,543)
Add: Additions			
Profit after tax as per Statement of Profit & Loss	(219,420,181)	29,591,608	
Less: Appropriations			
Bonds Redemption Reserve		7,425,919	
Self Insurance Reserve		1,508,905	
Dividend tax adjusted			
Closing Balance	(198,791,940)	20,628,241	(28,543)

Note 13 / Borrowings

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Domestic			
Secured			
2900 Nos 8.90% Bonds @ ₹10 Lakh each Redeemable at Par on 05 th Mar 2021	2,900,000,000	2,900,000,000	-
Unsecured			
Loan from Holding Company (Power Grid Corporation of India Ltd.,)	7,203,304,595	5,323,604,595	1,383,600,000
TOTAL	10,103,304,595	8,223,604,595	1,383,600,000

Further Note -

- (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.
- (b) The Bonds issued by the company are secured by an unconditional, irrevocable 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. 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 8.15% to 9.30%] and back to back servicing basis and the said loan is repayable over a period of 10 to 20 years after a moratorium period of 3 to 5 years.

Note 14/ Deferred tax liabilities (Net)

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deferred Tax Liability (A)			
Depreciation difference in Property Plant and Equipment(Net) (A)	603,865,859	12,513,525	-
Deferred Tax Assets (B)			
On Net Loss carry forward	677,360,608	-	-
Deferred Tax Liability (Net) (A-B)	(73,494,749)	12,513,525	-

Movement in Deferred Tax Liability

Particulars	Depreciation Difference in Property Plant and Equipment
AS at 1 st April 2015	-
Charged/ (Credited) to Profit or Loss	12,513,525
AS at 31 st March 2016	12,513,525
Charged/ (Credited) to Profit or Loss	591,352,334
AS at 31st March 2017	603,865,859



Movement in Deferred Tax asset

Particulars	Depreciation Difference in Property Plant and Equipment
AS at 1 st April 2015	-
Charged/ (Credited) to Profit or Loss	-
AS at 31 st March 2016	-
Charged/ (Credited) to Profit or Loss	677,360,608
AS at 31st March 2017	<u>677,360,608</u>

Note 15 / Other Current Financial Liability

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Interest accrued but not due on borrowings from			
Loan from Powergrid	237,713,659	90,742,743	
Redeemable Bonds	208,736,612	208,736,612	20,196,395
	446,450,271	299,479,355	20,196,395
B) Others			
i) Dues for capital expenditure	194,073,825	1,359,544,879	946,470,654
ii) Employee related liabilities	-	414,609	
iii) Deposits/Retention money from contractors and others.	515,287,995	753,272,972	249,783,310
iv) Others	73,512	73,511	6,733
	709,435,332	2,113,305,971	1,196,260,697
Total	<u>1,155,885,603</u>	<u>2,412,785,326</u>	<u>1,216,457,092</u>

Note 16 / Other current liabilities

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory dues	53,568,440	21,564,197	25,530,322
Total	<u>53,568,440</u>	<u>21,564,197</u>	<u>25,530,322</u>

Note 17/ Current Tax Liabilities (Net)

(Amount in ₹)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Taxation (Including interest on tax)			
As per last balance sheet	10,812,055	-	-
Additions during the year	-	10,812,055	-
Total	<u>10,812,055</u>	<u>10,812,055</u>	-
Net off against Advance Tax & TDS- Note 6	10,812,055	10,812,055	-
	-	-	-

Note 18/Revenue from operations

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Sales of services		
Transmission Business		
Transmission Charges	675,877,943	78,094,240
Total	675,877,943	78,094,240

Note19/Other income

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A) Interest income from financial assets at amortised cost		-
Interest from advances to contractors	6,075,200	
Interest Income from Bank	-	55,871,232
Others	174,260	
	6,249,460	55,871,232
B) Others		
Miscellaneous income	733,042	22,693,113
	6,982,502	78,564,345
Less: Income transferred to expenditure during construction(Net)-Note 24	3,143,860	77,712,943
TOTAL	3,838,642	851,402

Note 20/Employee benefits expense

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Salaries wages allowances & benefits	-	15,898,936
Contribution to provident and other funds	-	2,052,252
Staff Welfare expenses(Including Deferred Employee cost)	-	585,449
	-	18,536,637
Less: Transferred to Expenditure during Construction(Net)-Note 24	-	18,340,165
TOTAL	-	196,472



Note 21/Finance costs

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A) Interest and finance charges on financial liabilities at amortised cost		
Loan from Powergrid	568,155,824	228,272,601
Redeemable Bonds	258,100,000	208,736,612
B) Other Finance charges		
Others	195,433	517,123
Total	826,451,257	437,526,336
Less: Transferred to Expenditure during Construction (Net)-Note 24	318,749,494	432,254,442
TOTAL	507,701,763	5,271,894

Note 22/Depreciation and amortization expense

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of Property,Plant and Equipment	387,409,400	20,272,398
Less: Transferred to Expenditure During Construction(Net)-Note 24	-	-
TOTAL	387,409,400	20,272,398

Note 23/Other expenses

(Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Repair & Maintenance		
Plant & Machinery		
Transmission lines	12,068,428	5,400
Others	600	-
	12,069,028	5,400
System and Market Operation Charges	441,305	
Power charges	767	3,903
Expenses of Diesel Generating sets	33,870	-
Water charges	10,579	-
Training & Recruitment Expenses	40,862	215,600
Legal expenses	-	550,836
Professional charges(Including TA/DA)	563,864	1,572,029
Consultancy expenses(Including TA/DA)	111,590,202	94,299,692
Communication expenses	15,250	16,359
Travelling & Conv.exp.(excluding foreign travel)	3,789,947	4,906,265
Payments to Statutory Auditors		
Audit Fees	57,500	51,525
Tax Audit Fees	28,750	22,900
In Other Capacity	57,825	-
	-	74,425
	144,075	

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Advertisement and publicity	-	835,219
Printing and stationery	112,261	176,176
Books Periodicals and Journals	-	1,000
EDP hire and other charges	35,052	24,220
Rent	16,500	66,000
CERC petition & Other charges	500,000	-
Miscellaneous expenses	5,462,310	5,706,343
Hiring of Vehicle	7,104,150	7,877,292
Insurance	-	34,595
Rates and taxes	12,480,000	2,499,750
Bandwidth charges dark fibre lease charges (Telecom) etc	6,610	-
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	353,000	-
Other charges	375,581	184,685
	155,145,213	119,049,789
Less: Transferred to Expenditure during Construction(Net)-Note 24	65,111,335	118,762,099
Total	90,033,877	287,690

Note 24/ Expenditure during Construction (Net)

(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	-	15,726,168
Contribution to provident and other funds	-	2,029,951
Welfare expenses	-	584,046
Total(A)	-	18,340,165
B. Other Expenses		
Repair and maintenance	36,320	-
Power charges	767	3,861
Expenses on Diesel Generating sets	33,870	-
Training & Recruitment Expenses	40,862	4,798
Legal expenses	-	544,851
Professional charges	196,690	1,526,603
Consultancy expenses	43,047,523	94,299,692
Communication expenses	8,175	16,181
Travelling & Conv.exp. (Including Foreign Travel)	3,156,069	5,249,428
Advertisement and Publicity	-	826,143
Printing and stationery	19,899	174,262
Books,Periodicals and Journals	-	989
EDP hire and other charges	35,052	23,957
Rent	16,500	65,283
Miscellaneous expenses	6,932,280	5,700,389



(Amount in ₹)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Hiring of Vehicles	7,067,276	7,791,692
Insurance	-	34,220
Rates and taxes	4,513,443	2,499,750
Bandwidth charges, dark fibre lease charges(Telecom)	6,610	-
		-
Total(B)	65,111,335	118,762,099
C. Depreciation/Amortisation	-	-
D. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost Secured/Unsecured Redeemable Bonds, Financial Institution and Corporation	318,740,050	431,738,383
b) Other finance charges		
Others	9,444	516,059
Total (D)	318,749,494	432,254,442
E. Less: Other Income		
Interest from		
Indian banks	-	55,871,232
Contractors	2,343,595	21,841,711
Others	67,223	-
	2,410,818	77,712,943
Miscellaneous income	733,042	-
Total (E)	3,143,860	77,712,943
F. Less: Other Comprehensive Income	-	-
Other Comprehensive Income	-	-
GRAND TOTAL (A+B+C+D-E)	380,716,969	491,643,763

25. Commissioning of Srikakulam – Vemagiri Transmission Line

The Construction Activity of the Srikakulam – Vemagiri 765 Kv line, one of the units of POWERGRID VIZAG TRANSMISSION LIMITED, a 100% Subsidiary of POWERGRID, is completed as on 29-09-2016 and consequently declared as ready for use from 30-09-2016. However, the trail Operations could not be undertaken and power flow has not taken place as the terminal bays and Sub Stations at both the ends (Srikakulam and Vemagiri) which are the necessary links for the Power transmitted by the said unit linked to the main grid and the said infrastructure facilities are to be built by parent company POWER GRID are not ready by that time.

The said Terminal Sub Stations and other ancillary facilities at Srikakulam and Vemagiri, which are essential for transmitting Power through the subject transmission line are only ready as on 29-01-2017 and successful trail Operation and Power flow has taken place from 30-01-2017. The Transmission Line and other allied facilities have been technically declared fit for Commercial Operation with effect from 01-02-2017 after Stabilization of the System, PVTL started generating revenue i.e, transmission tariff from the beneficiaries with effect from 01-02-2017.

In view of the said factual position the costs incurred during the period 30-09-2016 and Upto 30-01-2017 for setting up the transmission line has been charged to revenue and considered accordingly in the Financial Statements for the Year.

26. Consultancy charges to Parent Company:

PVTL, a 100% subsidiary of POWERGRID constructs transmission lines with the manpower and establishment support of POWERGRID as per the Accounting Procedures followed, for the services rendered, POWERGRID raises bills on PVTL towards consultancy charges. Accordingly the bills for the said consultancy charges covering the period of three years, from the beginning of the project, that is for the F.Y 2014-15, 2015-16 and 2016-17 are raised by POWERGRID in the current F.Y. 2016-17. As per the accounting policy, the expenditure of Rs.6,61,74,309 pertaining to the previous Financial years has been considered as prior period Items in the Financial statements of the year and adjusted in accordance with applicable IND AS.

27. Exceptional and Extraordinary items

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

28. Party Balances and Confirmations

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

29. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars	Amount in Foreign Currency			Amount in Rupees			
		31.03.2017	31.03.2016	31.03.2015	31.03.17	31.03.2016	31.03.2015
Trade Payables/deposits and retention money	USD	NIL	2,69,112.71	NIL	NIL	1,80,30,551	NIL
Unexecuted amount of contracts remaining to be executed	USD	NIL	4,09,263	NIL	NIL	2,74,20,621	NIL

30. Auditors Remuneration

S. No.	Particulars	FY 2016-17 Amount In ₹	FY 2015-16 Amount In ₹
1	Statutory Audit Fees	50,000	50,000
2	Tax Audit	25,000	15,000
3	Other Matters	50,000	-
4	Service Tax	18,750	9,425
	Total	1,43,750	74,425

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. 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 ₹ NIL (previous Year ₹ 108,12,055) 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 ₹ (860,08,274) (previous Year ₹ 125,13,525) on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws.

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

The borrowing cost of ₹ 3187,49,494 (Previous year ₹ 4322,54,442) relating to project is carried under interest during construction period for capitalization on completion of the project in terms of the Ind-AS 23.



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.

32. Fair Value Measurements

(Amount in ₹)

Financial Instruments by category	31 st March, 2017		31 st March, 2016		01 April, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
Trade Receivables		21,82,50,303		1,50,22,363		-
Loans		-		-		-
Cash & cash Equivalents		1,15,81,362		1,16,33,037		1,71,77,691
Other Financial Assets		2,70,47,005		5,17,18,061		2,06,538
Total Financial assets		25,68,78,670		7,83,73,461		1,73,84,229
Financial Liabilities						
Borrowings		1010,33,04,595		822,36,04,595		138,36,00,000
Other Financial Liabilities		115,58,85,604		241,27,85,326		121,64,57,092
Other current liabilities		5,35,68,441		2,15,64,198		2,55,30,322
Total financial liabilities		1131,27,58,640		1065,79,54,119		262,55,87,414

This section explains the judgments 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.

(Amount in ₹)

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 st March 2017					
Financial Assets		-	-	-	-
Total Financial assets					
Financial Liabilities			7,591,280,817	-	7,591,280,817
Borrowings		-			
Total financial liabilities			7,591,280,817	-	7,591,280,817

Amount in ₹)

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 st March 2017					
Financial Assets		-	-	-	-
Total Financial assets					
Financial Liabilities			5,327,445,298	-	5,327,445,298
Borrowings		-			
Total financial liabilities			5,327,445,298	-	5,327,445,298

(Amount in ₹)

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 st March 2017					
Financial Assets		-	-	-	-
Total Financial assets					
Financial Liabilities	-	-	1,393,352,084	-	1,393,352,084
Borrowings					
Total financial liabilities			1,393,352,084	-	1,393,352,084

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 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 transfer between levels 1 and 2 during the year.

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

(ii) Valuation technique used to determine fair value

Specify 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

(Amount in ₹)

	31 March 2017		31 March 2016		1 April 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Total Financial assets						
Financial Liabilities	10,103,304,595	7,591,280,817	8,223,604,595	5,327,445,298	1,383,600,000	1,393,352,084
Borrowings						
Total financial liabilities	10,103,304,595	7,591,280,817	8,223,604,595	5,327,445,298	1,383,600,000	1,393,352,084

The carrying amounts of trade receivable, cash and cash equivalents, other current financial assets and other current financial liabilities at 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

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31- Mar-2016	01-Apr-2015
Powergrid Corporation of India Limited	India- Holding Company	100%	100%	100%


(b) Subsidiaries of Holding Company

Name of entity	Place of business/ country of incorporation/ Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31-Mar-2016	01-Apr-2015
Powergrid NM Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Unchahar Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Kala Amb Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Warora Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Parli Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Southern Interconnector Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Powergrid Vemagiri Transmission Limited	India-Fellow Subsidiary	NA	NA	NA
Power System Operation Corporation Limited*	India-Fellow Subsidiary	NA	NA	NA
Grid Conductors Limited	India-Fellow Subsidiary	NA	NA	NA
Medinipur Jeerat Transmission Limited ##	India-Fellow Subsidiary	NA	NA	NA
Powergrid Jabalpur Transmission Limited	India-Fellow Subsidiary	NA	NA	NA

*ceases to be subsidiary w.e.f. 2nd January, 2017

##100% equity in Medinipur Jeerat Transmission Limited acquired from PFC Consulting Limited on 28th March, 2017.

(c) Joint Ventures of Holding Company

Name of entity	Place of business/ country of incorporation/ Relationship	Proportion of Ownership Interest		
		31-Mar-2017	31-Mar-2016	01-Apr-2015
Powerlinks Transmission Limited	India-JV of Holding	NA	NA	NA
Torrent Power Grid Limited	India-JV of Holding	NA	NA	NA
Jaypee Powergrid Limited	India-JV of Holding	NA	NA	NA
Parbati Koldam Transmission Company Limited	India-JV of Holding	NA	NA	NA
Teestavalley Power Transmission Limited	India-JV of Holding	NA	NA	NA
North East Transmission Company Limited	India-JV of Holding	NA	NA	NA
National High Power Test Laboratory Private Limited	India-JV of Holding	NA	NA	NA
Energy Efficiency Services Limited*	India-JV of Holding	NA	NA	NA
Bihar Grid Company Limited	India-JV of Holding	NA	NA	NA
Kalinga Vidyut Prasaran Nigam Private Limited	India-JV of Holding	NA	NA	NA
Cross Border Power Transmission Company Limited	India-JV of Holding	NA	NA	NA
RINL Powergrid TLT Private Limited	India-JV of Holding	NA	NA	NA
Power Transmission Company Nepal Ltd	Nepal* JV of Holding	NA	NA	NA

* Ceased to be Joint Venture w.e.f. 25th April, 2016

(d) Key Management Personnel

Name	Designation	Date of Appointment	Date of Separation
Shri S Ravi	CEO	18.05.2015	Continuing
Shri D Kumaraswamy	CFO	11.05.2016	Continuing
Shri Arup Kumar Samanta	Company secretary	18.05.2015	Continuing

(e) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Services received by the Company			
Holding Company			
Power grid Corporation of India Ltd.			
Consultancy Charges (Excluding Taxes)	27,74,07,572	-	-
Total	27,74,07,572	-	-
Infusion of equity			
Holding Company			
Power grid Corporation of India Ltd.	155,00,00,000	-	-
Total	155,00,00,000	-	-
Services provided by the Company			
NIL	-	-	-
Total	-	-	-

(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:

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Trade payables (purchases of goods and services)			
<u>Holding Company</u>			
Power grid Corporation of India Ltd.	18,77,76,285	4,47,27,560	501915100
Total payables to related parties	18,77,76,285	4,47,27,560	501915100

(g) Loans to/from related parties

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Loans from Holding Company			
Power Grid Corporation of India Ltd.	720,33,04,595	532,36,04,595	138,36,00,000
Total	720,33,04,595	532,36,04,595	138,36,00,000

(h) Interest accrued on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Holding			
Power Grid Corporation of India Ltd.	23,77,13,659	9,07,42,743	2,01,96,395
Total	23,77,13,659	9,07,42,743	2,01,96,395

(I) Interest on Loan

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
Holding			
Power Grid Corporation of India Ltd.	56,81,55,824	22,82,72,601	2,24,40,439
Total	56,81,55,824	22,82,72,601	2,24,40,439



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

(Amount in ₹)

Particulars	As at March 31,2017	As at March 31,2016	As at April 01,2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	281,87,00,000	598,12,00,000

36. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

Other contingent liabilities amounting to ₹ 3,29,31,050/- (₹ NIL as on 31.03.2016) (₹ NIL as on 01.04.2015)

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 2017 and 31 March 2016.

b) Dividends

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

38. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2017	31 March, 2016	31 March, 2015
From Continuing Operations	(1.63)	0.54	-
Total basic diluted earnings per share attributable to the equity holders of the company	(1.63)	0.54	-

(Amount in ₹)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2017	31 March, 2016	1 Apr, 2015
Earnings attributable to the equity holders of the company	(21,94,20,181)	2,95,91,608	-
Total Earnings attributable to the equity holders of the company	(21,94,20,181)	2,95,91,608	-

(c) Weighted average number of shares used as the denominator	31 March, 2017 No. of shares	31 March, 2016 No. of Shares	01 April, 2015 No of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	13,46,17,671	5,47,30,000	5,47,30,000
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	13,46,17,671	5,47,30,000	5,47,30,000

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 ₹ 21,82,50,303 (31st March, 2016: ₹ 1,50,22,363, 1st April, 2015: ₹ NIL).

(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 115,81,362/- (31st March, 2016: ₹ 1,16,33,037/- 1st April, 2015: ₹ 1,71,77,691/). 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:



Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Cash and cash equivalents	11581362	11633037	17177691
Other current financial assets	27047005	51718061	206538
Total	38628367	63351098	17384229
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	218250303	15022363	0

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 (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.

(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(Amount in ₹)

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 31st March, 2017	-	1816,50,000	273,00,303	12,00,000	-	81,00,000	2182,50,303
Gross carrying amount as 31 st March, 2016	-	150,22,363	-	-	-	-	150,22,363
Gross carrying amount as 1 st April, 2015	-	-	-	-	-	-	-

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

(Amount in ₹)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2017				
Borrowings (including interest outflows)	85,03,28,820	784,27,87,722	707,68,59,666	1576,99,76,208
Other Current financial liabilities	115,58,85,604	-	-	115,58,85,604
Other Current liabilities	5,35,68,441	-	-	5,35,68,441
Total	205,97,82,865	784,27,87,722	707,68,59,666	169794,30,253
31 March 2016				
Borrowings	70,33,00,000	710,79,00,000	559,12,00,000	1340,24,00,000
Other Current financial liabilities	241,27,85,326	-	-	241,27,85,326
Other Current liabilities	2,15,64,198	-	-	2,15,64,198
Total	313,76,49,524	710,79,00,000	559,12,00,000	1583,67,49,524
01 April 2015				
Borrowings	11,77,00,000	80,74,00,000	143,41,00,000	235,92,00,000
Other Current financial liabilities	12164,57,092	-	-	12164,57,092
Other Current liabilities	2,55,30,322	-	-	2,55,30,322
Total	135,96,87,414	80,74,00,000	143,41,00,000	360,11,87,414

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.

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

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
<u>Current Tax</u>		
Current tax on profits for the year	-	108,12,055
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	108,12,055
<u>Deferred Tax</u>		
Decrease (increase) in deferred tax assets	(6773,60,608)	-
Increase (increase) in deferred tax liabilities	5913,52,334	125,13,525
Total deferred tax expense /benefit	(860,08,274)	125,13,525
Income tax expense	(860,08,274)	233,25,580



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

(Amount in ₹)

Particulars	31 March, 2017	31 March, 2016
Profit before income tax expense	(3054,28,455)	529,17,188
Tax at the Indian tax rate of NIL (FY 2015-2016 – 20.3885%) *	-	108,12,055
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Amortization of Intangibles	-	-
Corporate Social responsibility expenditure		
Other items	(860,08,274)	12,513,525
Adjustments for current tax of prior periods		
Tax losses for which no deferred income tax was recognized /		
Income Tax expenses	(860,08,274)	23,325,580

41. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

42. First time adoption of IND AS

Transition to IND AS

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Reconciliation of equity as at 31 March 2016 and 1 April 2015

(Amount in ₹)

Particulars	Notes to first time adoption	31 March, 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		57,69,75,133	54,72,71,457
Adjustments			
Depreciation on Prior Period capitalisation		(1,12,068)	-
Total equity as per IND AS		57,68,63,065	54,72,71,457

Reconciliation of total comprehensive Income for the year ended 31 March 2016

(Amount in ₹)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	IND AS
Profit after tax as per provision GAAP		2,97,03,676	-	-
Adjustments		-	-	-
Depreciation on Prior Period capitalisation		-	1,12,068	-
Profit after tax as per IND AS		-	-	2,95,91,608
Other comprehensive income	IX	-	-	-
Total comprehensive income as per IND AS		-	-	2,95,91,608

Impact of IND AS adoption on the statements of cash flows for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	IND AS
Net cash flow from operating activities		108,43,97,785	(1,12,068)	108,42,85,717
Net cash flow from investing activities		(792,99,47,034)	1,12,068	(792,98,34,966)
Net cash flow from financing activities		684,00,04,595	-	684,00,04,595
Net increase/(decrease) in cash and cash equivalents		(55,44,654)	-	(55,44,654)
Cash and cash equivalents as at 01 April, 2015		1,71,77,691	-	1,71,77,691
Cash and cash equivalents as at 31 March 2016		1,16,33,037	-	1,16,33,037

Note to First Time adoption**Restatement due to prior period errors**

Under Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' material prior period error shall be corrected by retrospective restatement. A Prior period income was recognised in the Financial Year 2016-17 which is restated at 1st April, 2015. This increased the capital work-in-progress as at 1st April, 2015 by ₹ 661,74,309/-. In the year 2015-16 amount of ₹ 84,43,842 capitalised due to this additional Depreciation of ₹ 1,12,068/- has been charged to Statement of Profit and Loss account, resulting of decrease in Profit and other equity by ₹ 1,12,068/- with corresponding increasing in accumulated depreciation.

42. 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 **Ramu & Ravi**
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

D Kumaraswamy
CFO

(S. Vaithilingam)
Director
DIN : 07107854

Arup Kumar Samanta
Company secretary



INDEPENDENT AUDITORS' REPORT

To the Members of **Power Grid Vizag Transmission Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Power Grid Vizag Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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, 2017, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and report for the year ended 31st March 2015 dated 10th May 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 – Refer Note 39 to the 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 and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date : 4th July 2017



INDEPENDENT AUDITORS' REPORT

To the Members of **Power Grid Vizag Transmission Limited**

Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying special purpose standalone Ind AS financial statements of **Power Grid Vizag Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Opening Balance Sheet as at 1st April, 2015, 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 ended 31st March, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Comparative standalone Ind AS Financial Statements").

Management's Responsibility for the Comparative 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 Comparative Standalone Ind AS Financial Statements in accordance with the basis of accounting described in Note 2.

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 Comparative Standalone Ind AS Financial Statements.

Auditors' Responsibility

Our responsibility is to express an opinion on these Comparative Standalone Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Standalone Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatement.

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 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 due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 the effectiveness of the Company's internal financial 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 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 Comparative 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 Comparative Standalone Ind AS Financial Statements for the year ended 31st March, 2016 (including opening balance sheet as at 1st April 2015), are prepared, in all material respects, in accordance with the basis of accounting described in **Note 2** to these financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to **Note 2** to these Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting. The financial statements are prepared to assist the Company to meet the requirements of preparation of first set of complete standalone Ind AS financial statements. As a result, the financial statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to **Note 2** to the Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the company's state of affairs (financial position), profit/loss (financial performance including other comprehensive income), cash flows and the changes in equity.

Other Matter

The financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these special purpose standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

The Company has prepared a separate set of financial statements for the year ended March 31, 2016 and March 31, 2015 in accordance with

the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 on which we issued a separate auditor's report to the shareholders of Company on 22nd Jun 2016.

For and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date : 4th July 2017

Annexure '1'

As referred to in our Independent Auditors' Report to the members of the **Power Grid Vizag Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2017, we report that:

- (i)
 - a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
 - b) The fixed assets have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
 - c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a) The terms and conditions on which loans have been granted to the borrower companies covered under section 189 of the Act are not, prima facie, prejudicial to the interest of the company.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
 - c) There are no overdue amounts of more than 90 days in respect of loans granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)
 - a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
 - b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. However, following disputed demands of Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess dues have not been deposited:
- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.



- (ix) In our opinion on an overall basis and according to the information and explanations given to us, the Company has applied the term loans including funds raised through bonds for the purpose they were obtained. The Company has raised funds by issuance of debt instruments (bonds) during the year. The Company has not raised money by way of initial public offer or further public offer during the year.
- (x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of frauds has been committed on or by the Company during the year.
- (xi) According to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) The Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.

For and on behalf of**RAMU & RAVI.,**

Chartered Accountants
FRN No.006610S

K.V.R. Murthy

Partner
Membership No. 200021

Place: Gurgaon

Date : 4th July 2017

ANNEXURE - 2

Report under Section 143(5) of the Companies Act, 2013, in respect of POWER GRID VIZAG TRANSMISSION LIMITED, on the Annual Accounts for the year ended 31st March, 2017.

SPECIFIC AREAS EXAMINED DURING THE COURSE OF AUDIT OF ANNUAL ACCOUNTS OF POWER GRID VIZAG TRANSMISSION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017, IN TERMS OF THE DIRECTIONS / SUB-DIRECTIONS ISSUED TO US:

S I . 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.	Not applicable as the company does not possess any land 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 the 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 & assets received as gift, grants(s) from Govt. 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.
4.	Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 th November, 2016 to 30 th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.	The Company has not held / dealt with specified Bank Notes (SBN) during the said period.	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.

For and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date : 4th July 2017

ANNEXURE – 3



As referred to in our Independent Auditors' Report to the members of the **Power Grid Vizag Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2017

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, 2017 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, 2017, 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 and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date : 4th July 2017



पावरग्रिड

POWER GRID CORPORATION OF INDIA LTD.

(A Government of India Enterprise)

Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
Corporate Office : "Saudamini", Plot No. 2, Sector 29, Gurugram, Haryana - 122 001
CIN:L40101DL1989GOI038121