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POWERGRID KALA AMB TRANSMISSION LIMITED

Financial Accounts for FY 18-19

CA

AMIT JAI & CO
CHARTERED ACCOUNTANTS

PH. NO. : 0191: 2477761
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E-mail : amitjaiandco@gmsil.com, caamitgupta @gmx.com
449B BASANT VIHAR
TRIKUTA NAGAR EXT 3
JAMMU, J & K-180012

REVISED INDEPENDENT AUDITORS' REPORT

(Report revised due to observations raised by CAG Audit)

To the Members of **M/s POWERGRID KALA AMB TRANSMISSION LIMITED**

Report on the Ind-AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID KALA AMB TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March2019, 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 notes to financial statement including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the 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 2019, and its Profit (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.

Key Audit Matters

We have determined that there are no key audit maaters to communicate in our report.

Basis for Opinion

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements

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Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, Changes in Equity and Cash Flows 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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.

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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.

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, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure "B"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, 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 read with relevant rules issued there under.
   e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.

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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 "C".

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 did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Amit Jai& Co.,

Chartered Accountants

Firm Regn. No

AMIT JAI & CO. JAMMU 021613N Chartered Accountants

CA Amit Gupta

Partner

Mem. No 098478

Place: Jammu

Date:05.07.2019

Annexure – "A"

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID KALA AMB TRANSMISSION LIMITED ('the Company')**, on the Financial Statements for the Year Ended 31st March 2019, we report that:

		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Since the commissioning of the Kala Amb Project was done in July 2017 and management is still in the process of formation of physical verification policy, therefore, No physical verification of Fixed Assets conducted during the year.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Title Deeds of immovable property Purchased are held in the Name of the Company.
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The company is dealing in Power transmission and not maintaining any physical stock as such no physical verification of Inventory Conducted during the 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,	The Company has not grated 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	According to the information and explanations given to us, the Company does not have loans, investments and

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		Companies Act, 2013 have been complied with. If not, provide the details thereof.	guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
(v)		In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
(vi)		whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	There is no such Cost Records specified by Central Government u/s 148 of the Companies Act, 2013.
(vii)	(a)	Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including: i) Provident fund; ii) Employees' state insurance; iii) Income-tax; iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues. If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Goods and Services tax (GST), Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
	(b)	where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum	Based on our audit and explanations given to us, there are no disputed dues of Income Tax, Duty of Customs or Duty of Excise of Sales Tax which have not been deposited.

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		where dispute is pending shall be Mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	
(viii)		Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.	No Default
(ix)		Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The company has not raised Money by way of IPO & FPO including debt instruments. However, Loan from holding Company are applied for the purposes for which they are raised.
(x)		Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based on our audit Procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
(xi)		Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	Based on our audit Procedures performed and the information and explanations given by the management, Managerial Remuneration & Other Payments relating to Staff are made from Holding Co. Hence, the clause is Not Applicable
(xii)		Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)		Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., 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.

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(xiv)		Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)		Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	Based on our audit Procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)		Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For Amit Jai& Co.,

Chartered Accountants

Firm Regn. No

AMIT JAI & CO. JAMMU 021613N Chartered Accountants

CA Amit Gupta

Partner

Mem. No 098478

Place: Jammu

Date: 05.07.2019

Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the **M/s POWERGRID Kala Amb Transmission Limited ('The Company')**, on the Financial Statements for the Year Ended 31st March 2019, we Report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	Yes, all the accounting transactions are processed through IT Systems. Accounts are prepared in SAP.	Not Any
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan ? if yes, the financial impact may be stated.	No restructuring or write off of Loan/Interest done by the company.	Not Any
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No funds received, hence no deviation.	Not Any

For Amit Jai & Co.,

Chartered Accountants

Firm Regn. No

CA Amit Gupta

Partner

Mem. No 098478

Place: Jammu.

Date: 05.07.2019

ANNEXURE - "C"

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Kala Amb Transmission Limited** ("the Company"), on the Financial Statements for the year ended 31st March 2019

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 2019 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

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Chartered Accountants

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.

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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 2019, 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."

AMIT JAI & CO.
JAMMU
021615N
Chartered Accountants

For Amit Jai& Co.,

Chartered Accountants

Firm Regn. No

CA Amit Gupta

Partner

Mem. No 098478

Place: Jammu

Date: 05.07.2019

POWERGRID Kala Amb Transmission Limited
(A 100% Subsidiary of Power Grid Corporation of India Ltd.)
Corporate Office: - 400/220 KV Sub-Station POWERGRID, Panchkula-134118

Ref: PKTL/F&A/18-19/ **Dated :- 22.05.2019**

CERTIFICATE

This is to certify that, all the provisions relating to various Tax Laws, Companies Act and other laws as may be applicable from time to time have been complied with for the Financial Year 2018-19 in respect of the Company

Signature :
Name : S K Rai
Designation : CFO
Date : 22.05.2019

POWERGRID Kala Amb Transmission Limited
(A 100% Subsidiary of Power Grid Corporation of India Ltd.)
Corporate Office: - 400/220 KV Sub-Station POWERGRID, Panchkula-134118

Ref: PKTL/F&A/18-19/ **Dated :- 22.05.2019**

CERTIFICATE

This is to certify that, Financial Result of M/s POWERGRID Kala Amb Transmission Limited for the Financial Year ended 31st March 2019, does not contain any false or misleading statement or figure and do not omit any material fact which may make the statement or figures contained therein misleading.

(D C Joshi)
Chairperson

(S K Rai)
CFO

POWERGRID Kala Amb Transmission Limited
(A 100% Subsidiary of Power Grid Corporation of India Ltd.)
Corporate Office: - 400/220 KV Sub-Station POWERGRID, Panchkula-134118

Ref: PKTL/F&A/18-19/ **Dated :- 22.05.2019**

COMPLIANCE CERTIFICATE

The Annual Accounts for the Financial Year 2018-19 have been prepared keeping in view the provisions of Section 134(5) of the Companies Act, 2013 relating to Director's Responsibilities Statement i.e.

i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

ii) The Accounting Policies of the Company have been applied consistentaly and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for Safeguarding the Assets of the Company and for Preventing and Detecting Fraud and Other Irregularities;

iv) The Annual Accounts have been Prepared on a going concern basis.

v) The laid down Internal Financial Controls(#) have been followed and such Internal Financial Controls are adequate and are operating effectively.

vi) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively

(CFO)
S K Rai
Sr. DGM(F&A)

Date : 22.05.2019
Place : Gurugram

(#) Explanation: For the Purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

POWERGRID KALA AMB TRANSMISSION LIMITED

Balance Sheet as at 31st March, 2019

(₹ in Lakh)

Particulars	Note No	As at 31st March,2019	As at 31st March,2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	29,064.08	30,385.65
Capital work-in-progress	5	-	-
Other Intangible assets	6	37.68	40.06
Other non-current assets	7	29.52	36.41
		29,131.28	30,462.12
Current assets			
Financial Assets			
Trade Receivables	8	223.23	2,314.33
Cash and cash equivalents	9	7.08	1.00
Other current financial assets	10	845.23	442.92
		1,075.54	2,758.25
Total Assets		30,206.83	33,220.37
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	6,100.00	5,600.00
Other Equity	12	971.40	752.19
		7,071.40	6,352.19
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	19,528.00	24,684.08
Deferred Tax	14	224.50	82.59
		19,752.50	24,766.67
Current liabilities			
Financial Liabilities			
Other current financial liability	15	3,368.53	2,096.67
Other current liabilities	16	14.39	4.84
		3,382.92	2,101.51
Total Equity and Liabilities		30,206.83	33,220.37

The accompaning notes (1 to 39) form the integral part of financial statements.

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

(CA Amit Gupta)
Partner
M. No. 098478

Place: Jammu
Date:

AMIT JAI & CO.
JAMMU
021613N
Chartered Accountants

For and on behalf of the Board of Directors

V. Susheela Devi

D C Joshi	**V Susheela Devi**
Chairman	**Director**
DIN: 08097844	**DIN: 07828528**
S K Rai	**Piyush Bhadreshvara**
CFO	**Company Secretary**
Place : Gurugram	**Place :Gurugram**
Date:22.05.2019	**Date:22.05.2019**

POWERGRID KALA AMB TRANSMISSION LIMITED

Statement of Profit and Loss for the period ended 31st March, 2019

(₹ in Lakh)

Particulars	Note No.	For the year ended 31st March,2019	For the year ended 31st March,2018
Revenue From Operations	17	5,725.98	3,757.66
Other Income	18	304.50	18.93
Total Income		**6,030.48**	**3,776.59**
EXPENSES			
Employee benefits expense		-	-
Finance costs	19	1,847.18	1,381.49
Depreciation and amortization expense	20	1,639.20	1,167.10
Other expenses	21	696.45	166.37
Total expenses		**4,182.83**	**2,714.96**
Profit/(loss) before tax		1,847.65	1,061.63
Tax expense:			
Current tax		398.15	226.57
Deferred tax		141.91	82.59
		540.06	309.16
Profit (Loss) for the period		1,307.59	752.47
Other Comprehensive Income			
Total Comprehensive Income for the period		1,307.59	752.47
Earnings per equity share (Par Value ₹ 10/- each)			
Basic (in ₹)		2.21	4.02
Diluted (in ₹)		2.21	4.02

The accompaning notes (1 to 39) form the integral part of financial statements.

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

(CA Amit Gupta)
Partner
M. No. 098478

AMIT JAI & CO. JAMMU 021613N Chartered Accountants

Place: Jammu
Date:

For and on behalf of the Board of Directors

D C Joshi
Chairman
DIN: 08097844

V Susheela Devi

V Susheela Devi
Director
DIN: 07828528

S K Rai
CFO

Piyush Bhadreshvara
Company Secretary

Place : Gurugram
Date:22.05.2019

Place :Gurugram
Date:22.05.2019

POWERGRID KALA AMB TRANSMISSION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH , 2019

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
A. Cash Flow from Operating Activities:		
Net profit/Loss before tax	1,847.65	1,061.63
Adjustment for :		
Depreciation & amortization expenses	1,639.20	1,167.10
Finance costs	1,847.18	1,381.49
	3,486.38	2,548.59
Operating profit before Changes in Assets and Liabilities	5,334.03	3,610.22
Adjsutments for change in assets and liability		
Change in non current assets	(1.50)	79.07
Change in current financial assets	1,688.79	(2,704.67)
Change in other current assets	-	88.25
Change in other Non-Current Financial Liabilities	-	(718.13)
Change in other Current Financial Liabilities	(1,718.76)	1,160.24
Change in other Current Liabilities	9.55	(119.84)
	(21.92)	(2,215.08)
Cash generated from operations	5,312.11	1,395.14
Less : Direct taxes paid	(391.63)	(250.80)
Net cash from operating activities	4,920.48	1,144.34
B. Cash Flow from Investing Activities:		
- Property Plant & Equipment and Capital Work in Progress	(313.38)	(9,037.21)
- Advances for Capital Expenditure		
Net cash used in investing activities.	(313.38)	(9,037.21)
C. Cash Flow from Financing Activities:		
- Equity Share capital-Raised during the year	500.00	5,495.00
- Loan Raised during the Year		4,225.46
- Loan Repaid during the Year	(2,156.08)	
- Interest and finance cost paid	(1,856.56)	(1,829.89)
-Dividend Paid	(902.80)	
-Dividend Tax Paid	(185.57)	
Net cash from financing activities	(4,601.01)	7,890.57
D. Net change in cash & cash equivalents (A+B+C)	6.09	(2.30)
E. Cash and Cash Equivalents at the beginning of the period	1.00	3.30
F. Cash and Cash Equivalents at the end of the period (D+E)(Note no 9)	7.08	1.00

The accompaning notes (1 to 39) form the integral part of financial statements.

Note :

i) Cash and Cash equivalents consist of cheques. Drafts, Stamps in Hands, balances with banks and deposits with original maturity of upto three months.

ii) Previous year figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

(CA Amit Gupta)
Partner
M. No. 098478

Place: Jammu
Date:

AMIT JAI & CO. JAMMU 021613N Chartered Accountants

For and on behalf of the Board of Dire

D C Joshi
Chairman
DIN: 08097844

V. Susheela Devi

V Susheela Devi
Director
DIN: 07828528

S K Rai
CFO

Piyush Bhadreshvara
Company Secretary

Place : Gurugram
Date:22.05.2019

Place :Gurugram
Date:22.05.2019

STATEMENT OF CHANGES IN EQUITY

POWERGRID KALA AMB TRANSMISSION LIMITED

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity Share Capital

	(₹ in Lakh)
As at 31st March ,2017	105.00
Changes in equity share capital	5,495.00
As at 31st March ,2018	5,600.00
Changes in equity share capital	500.00
As at 31st March,2019	6,100.00

B. Other Equity

(₹ in Lakh)

	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
Balance at 1st April,2017		(0.28)	(0.28)
Total Comprehensive Income for the year		752.47	752.47
Transfer to Self Insurance Reserve	37.91	(37.91)	-
Balance at 31st March, 2018	**37.91**	**714.28**	**752.19**
Balance at 1st April,2018	37.91	714.28	752.19
Total Comprehensive Income for the year		1,307.59	1,307.59
Transfer to Self Insurance Reserve	37.88	(37.88)	-
Interim dividend paid		(902.80)	(902.80)
Tax on interim Dividend		(185.57)	(185.57)
Balance at 31st March, 2019	**75.79**	**895.61**	**971.40**

The accompaning notes (1 to 39) form the integral part of financial statements.

Refer to Note No. 12 for nature and movement of reserve and surplus

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

(CA Amit Gupta)
Partner
M. No. 098478

Place: Jammu
Date:

AMIT JAI & CO.
JAMMU
021613N
Chartered Accountants

For and on behalf of Powergrid Kala Amb Transmission Limited

V. Susheela Devi

D C Joshi
Chairman
DIN: 08097844

V Susheela Devi
Director
DIN: 07828528

S K Rai
CFO

Piyush Bhadreshvara
Company Secretary

Place : Gurugram
Date:22.05.2019

Place : Gurugram
Date:22.05.2019

POWERGRID KALA AMB TRANSMISSION LIMITED

Notes to Financial Statements

Note 1. Corporate and General Information

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

The company is engaged in the business of power transmission system network, construction, operation and maintenance of transmission lines and other related allied activities.

The financial statement of the company for the year ended March 31, 2019 were approved for issue by the Board of Directors on 22nd May, 2019.

Note 2. Significant Accounting Policies FY 2018-19

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.11 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

(iii) Functional and Presentation Currency

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

iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer note 3 on critical accounting estimates, assumptions and judgments).

v)Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The Company recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

Initial Recognition and Measurement

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

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

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

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

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

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

Subsequent costs

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

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs

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of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

De-recognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

Expenditure on research shall be recognised as an expense when it is incurred.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from 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.

2.5Depreciation / Amortization

Property, Plant and Equipment

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

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

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

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

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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

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

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

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

Intangible Assets

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

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

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

The amortization period and the amortization method for an intangible asset are reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 " Accounting Policies, Changes in Accounting Estimates and Errors

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.

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2.7 Impairment of non-financial assets, other than inventories

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

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

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

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

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

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

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

2.10Leases

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

a) Finance lease

Leases of property, plant and equipment where the company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets

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held under finance lease are recorded as property, plant and equipment and related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amount equal to fair value of leased asset or if lower the present value of minimum lease payments. The minimum lease payments made under finance leases are apportioned between the finance expense and reduction of the finance liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

b) Operating leases

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

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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,
- at fair value through other comprehensive income

The classification depends on the following:

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

Initial recognition and measurement

All financial assets 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.

Subsequent measurement

Debt Instruments at Amortised cost: 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.

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Debt Instruments at Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI).

Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- The company has transferred the rights to receive cash flows from the financial asset

  or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Impairment of financial assets:

For trade receivables, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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.

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Classification, initial recognition and measurement

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

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

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

Offsetting of financial instruments

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

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

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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 initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognized in the financial statements, whichever is earlier. In case the transaction is recognized in stages, then transaction date is established for each stage.

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 aretreated 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 tax laws enacted and applicable to the reporting period in the countries where the company operates and generates taxable income.

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

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sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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

2.14 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer. The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates, GST and Value added taxes.

2.14.1 Revenue from Operations

Transmission

Transmission Income is accounted for based on orders issued by the CERC u/s 63 of Electricity Act, 2003 for the 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 Transmission Service Agreement (TSA) entered between the Transmission Service Provider and Long-Term Transmission Customers.

2.14.2 Other Income

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

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

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

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

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

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

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2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

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

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Statement of Cash Flows

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

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Note 3. Critical estimates and Judgments

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

The areas involving critical estimates or judgments

1. **Revenue Recognition**

   Transmission income is accounted for based on orders issued by the CERC under section 63 of Electricity Act for adoption of transmission charges. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

2. **Useful life of property, plant and equipment**

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

3. **Provisions and contingencies**

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

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

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 4 / Property, Plant and Equipment

(₹ in Lakh)

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April,2018	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2019	As at 1st April,2018	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2019	As at 31st March,2019	As at 31st March,2018
Freehold Land	299.38	-	-	-	299.38	-	-	-	-		299.38	299.38
Buildings									-	-	-	-
a) Sub-Stations & Office	1,457.76	7.69	-	-	1,465.45	35.08	48.95	-	-	84.04	1,381.41	1,422.67
Water Supply Drainage & Sewerage	88.24	-	-	-	88.24	0.16	2.95	-	-	3.11	85.13	88.09
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
a) Transmission	953.06	54.78	-	-	1,007.84	36.26	53.21	-	-	89.47	918.37	916.80
b) Substation	28,707.58	251.82	-	-	28,959.40	1,092.18	1,529.06	-	-	2,621.23	26,338.17	27,615.41
Furniture Fixtures	16.92	-	-	-	16.92	0.67	1.07	-	-	1.74	15.18	16.25
Office equipment	1.18	0.93	-	-	2.11	0.07	0.10	-	-	0.17	1.95	1.11
Electronic Data Processing & Word Processing Machines	0.13	-	-	-	0.13	0.08	0.04	-	-	0.12	0.01	0.05
Electrical Installation	26.92	0.02	-	-	26.94	1.02	1.42	-	-	2.45	24.49	25.90
Grand Total	**31551.18**	**315.24**	-	-	**31,866.41**	**1,165.52**	**1,636.80**	-	-	**2,802.33**	**29064.08**	**30385.65**
Previous Year Total	**299.94**	**31,251.24**	-	-	**31,551.18**	**0.04**	**1,165.48**	-	-	**1,165.52**	**30,385.65**	**299.89**

The company owns 4.079 hectare (4.079 hectare as on 31.03.2018) of freehold land amounting to ₹ 299.38 lakh based on available documentation.

POWERGRID KALA AMB TRANSMISSION LIMITED

Note 4 / Property, Plant and Equipment

(₹ in Lakh)

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April,2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2018	As at 1st April,2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2018	As at 31st March,2018	As at 31st March,2017
Freehold Land	299.38	-	-	-	299.38	-	-	-	-	-	299.38	299.38
Buildings									-		-	-
a) Sub-Stations & Office	-	1,457.76	-	-	1,457.76	-	35.08	-	-	35.08	1,422.67	-
Water Supply Drainage & Sewerage	-	88.25	-	-	88.25	-	0.16	-	-	0.16	88.09	-
Plant & Equipment	-		-	-	-	-	-	-	-	-	-	-
a) Transmission	-	953.06	-	-	953.06	-	36.26	-	-	36.26	916.80	-
b) Substation	-	28,707.58	-	-	28,707.58	-	1,092.18	-	-	1,092.18	27,615.41	-
Furniture Fixtures	-	16.92	-	-	16.92	-	0.67	-	-	0.67	16.25	-
Office equipment	0.43	0.76	-	-	1.18	-	0.07	-	-	0.07	1.11	0.42
Electronic Data Processing & Word Processing Machines	0.13	-	-	-	0.13	0.04	0.04	-	-	0.08	0.05	0.09
Electrical Installation		26.92	-	-	26.92		1.02	-	-	1.02	25.90	-
Grand Total	**299.94**	**31251.24**	-	-	**31,551.18**	**0.04**	**1165.48**	-	-	**1165.52**	**30385.65**	**299.89**

The company owns 4.079 hectare (4.079 hectare as on 31.03.2017) of freehold land amounting to ₹ 299.38 lakh based on available documentation.

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 5 / Capital work in progress

(₹ in Lakh)

Particulars	As at 1st April,2018	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2019	As at 31st March,2018
Land						
Development of land	-	-	-	-	-	-
Buildings						
a) Sub-Stations & Office	-	7.69	-	7.69	-	-
Plant & Equipments (including associated civil works)	-	-	-	-	-	-
a) Transmission	-	54.19	-	54.19	-	-
b) Sub-Station	-	241.69	-	241.69	-	-
Expenditure pending allocation	-	-	-	-	-	-
Expenditure during construction period(net)(Note 24)	-	18.45	-	18.45	-	-
	-	322.02	-	322.02	-	-
Construction Stores (Net of Provision)	-	19.62	19.62		-	-
Grand Total	-	**341.64**	**19.62**	**322.02**	-	-

Note 5 / Capital work in progress

(₹ in Lakh)

Particulars	As at 1st April,2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2018	As at 31st March,2017
Land						
Development of land	-	-	-	-	-	-
Plant & Equipments (including associated civil works)		-	-	-	-	-
a) Transmission	159.77	699.75	-	859.52	-	159.77
b) Sub-Station	1,473.94	25,814.77	-	27,288.71	-	1,473.94
Expenditure pending allocation	-	-	-	-	-	-
Expenditure during construction period(net)(Note 24)	2,077.44	960.63	-	3,038.07	-	2,077.44
	3,711.15	27,475.15	-	31,186.30	-	3,711.15
Construction Stores (Net of Provision)	17,140.95	7,053.24	24,194.19	-	-	17,140.95
Grand Total	**20,852.10**	**34,528.39**	**24,194.19**	**31,186.30**	-	**20,852.10**

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POWERGRID KALA AMB TRANSMISSION LIMITED

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

(At cost) (₹ in Lakh)

Particulars	As at 31st March,2019	As at 31st March,2018
Costruction Stores		
Towers		
Conductors	-	-
Other Line Materials	-	-
Sub-Station Equipments	-	-
High Voltage Direct Current (HVDC) Eqpnts		
Unified Load Despatch (ULDC) Materials		
Others		
Less: Provision for shortages and obsolete material		
TOTAL	-	-
Construction Stores include:		
Material with Contractors		-
Towers		
Conductors		
Other Line Materials	-	-
Sub-Station Equipments	-	-
High Voltage Direct Current (HVDC) Eqpnts	-	-
Unified Load Despatch (ULDC) Materials	-	-
Others	-	-
Total	-	-
Grand total		

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 6 / Intangible Assets

(₹ in Lakh)

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April,2018	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2019	As at 1st April,2018	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2019	As at 31st March,2019	As at 31st March,2018
Electronic Data Processing Software	0.71		-	-	0.71	0.06	0.24	-	-	0,30	0.41	0.65
Right of Way-Afforestation Expenses	40.97	0.02	-	-	40.99	1.56	2.16	-	-	3.72	37.27	39.41
Grand Total	**41.68**	**0.02**	-	-	**41.70**	**1.62**	**2.40**	-	-	**4.02**	**37.68**	**40.06**
Previous Year Total	-	**41.68**	-	-	**41.68**	-	**1.62**	-	-	**1.62**	**40.06**	-

Note :

There is no intangible asset under development for CY 18-19 and PY 17-18

Note 6 / Intangible Assets

(₹ in Lakh)

Particulars	Gross Block					Accumulated depreciation					Net Book Value	
	As at 1st April,2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2018	As at 1st April,2017	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31st March,2018	As at 31st March,2018	As at 31st March,2017
Electronic Data Processing Software	-	0.71	-	-	0.71	-	0.06	-	-	0.06	0.65	-
Right of Way-Afforestation Expenses	-	40.97	-	-	40.97	-	1.56	-	-	1.56	39.41	-
Grand Total	-	41.68	-	-	41.68	-	1.62	-	-	1.62	40.06	-
Previous Year Total	-	-	-	-		-	-	-	-	-	-	-

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 7 / Other non-current Assets

(Unsecured considered good unless otherwise stated) (₹ in Lakh)

Particulars		As at 31st March,2019	As at 31st March,2018
1) Advances for Capital Expenditure			
Against bank guarantees		9.99	11.86
2) Advances for other than Capital Expenditure			
Advances recoverable in cash or in kind or for value to be received			
Balance with Customs Port Trust and other authorities		1.82	0.32
2) Others			
Advance tax and Tax deducted at source	415.86		
Less: Provision for taxation	398.15	17.71	24.23
TOTAL		**29.52**	**36.41**

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 8 / Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March,2019	As at 31st March,2018
Trade receivables		
Unsecured Considered good	223.23	2,314.33
TOTAL	**223.23**	**2,314.33**

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POWERGRID KALA AMB TRANSMISSION LIMITED
Note 9 / Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March,2019	As at 31st March, 2018
Balance with banks-		
-In Current accounts	7.08	1.00
Total	**7.08**	**1.00**

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 10 / Other Current Financial Assets

(Unsecured considered good unless otherwise stated) **(₹ in Lakh)**

Particulars	As at 31st March,2019	As at 31st March,2018
Unbilled Revenue	845.23	442.92
Total	**845.23**	**442.92**

Note: Unbilled revenue includes transmission charges upto the month of March in the financial year amounting to ₹ 845.23 lakhs (31st March, 2018 ₹ 442.92) billed to beneficiaries in the month of April of subsequent financial year.Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company recognizes revenue when it transfers control over a product or service to a customer.

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 11 / Equity Share capital

Particulars	As at 31st March,2019	As at 31st March,2018
Equity Share Capital		
Authorised		
61000000 (Previous Year 56000000) equity shares of ₹ 10/- each at par	6,100.00	5,600.00
Issued, subscribed and paid up		
61000000 (Previous Year 56000000) equity shares of ₹ 10/-each at par fully paid up	6,100.00	5,600.00
Total	**6,100.00**	**5,600.00**

Further Notes:

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

Particulars	As at 31st March, 2019		As at 31st March,2018	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the year	56000000	5,600.00	1050000	105.00
Shares Issued during the year	5000000	500.00	54950000	5,495.00
Shares outstanding at the end of the year	61000000	6,100.00	56000000	5,600.00

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

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

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

Particulars	As at 31st March, 2019		As at 31st March,2018	
	No.of Shares #	% of holding	No.of Shares #	% of holding
Power Grid Corporation of India Ltd. (Holding Company)	61000000	100%	56000000	100%

Out of 61000000 Equity Shares (Previous Year 56000000 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.

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POWERGRID KALA AMB TRANSMISSION LIMITED
Note 12 / Other Equity

(₹ in Lakh)

Particulars		As at 31st March,2019	As at 31st March,2018
Reserves and Surplus			
Self Insurance Reserve			
-Balance at the Beginning of the Year 01.04.2018	37.91		
-Additions during the Year 18-19	37.88		
-Deductions during the Year 18-19	-		
-Balance at the end of the Year 31.03.2019		75.79	37.91
Retained Earnings			
As per last balance sheet	714.28		
Add : Additions			
Profit after tax as per Statement of Profit & Loss	1,307.59		
Less: Appropriations			
Self Insurance Reserve	37.88		
Interim dividend paid	902.80		
Tax on interim Dividend	185.57		
Closing Balance		895.61	714.28
TOTAL		**971.40**	**752.19**

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

POWERGRID KALA AMB TRANSMISSION LIMITED
Note 13 / Borrowings

(₹ in Lakh)

Description	As at 31st March,2019	As at 31st March,2018
Unsecured		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	19,528.00	24,684.08
TOTAL	19,528.00	24,684.08

Note :

Inter Corporate loan is provided by the holding company i.e. Power Grid Corporation of India Ltd on cost to cost basis (Interest rate varying from 7.20% to 8.40%) & converted into Single rate of interest at 7.7057% wef 30.03.2018 which is repayble as per terms & condition of repayment. The company has not made default in repayment of its dues.

Inter Corporate Loan is taken from Holding Company i.e. Power Grid Corporation of India Limited against which related party discloser has been given in note no 28

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 14 / Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March,2019	As at 31st March,2018
Deferred Tax Liability		
Difference in book depreciation and tax depreciation	3,282.32	2,819.43
Deferred Tax Liability (A)	3,282.32	2,819.43
Deferred Tax Assets		
Unused Tax Losses(Income Tax loss)	2,433.10	2,510.27
Unused Tax Credit(MAT Credit Entitlement)	624.72	226.57
Deferred Tax Assets (B)	3,057.82	2,736.84
Deferred Tax Liability(Net)(A-B)	224.50	82.59

Movement in Deferred Tax Liability (₹ in Lakh)

Particulars	Property, Plant & Equipment	Total
As on 1st April 2017	-	-
Charged /(Credited)		
- to Profit or loss	2,819.43	2,819.43
- to other comprehensive income		
As at 31st March 2018	2,819.43	2,819.43
Charged /(Credited)		
- to Profit or loss	462.88	462.88
- to other comprehensive income	-	
As at 31st March 2019	3,282.32	3,282.32

Movement in Deferred Tax Assets (₹ in Lakh)

Particulars	Unused Tax Losses	MAT Credit	Total
As on 1st April 2017	-	-	-
Charged /(Credited)			
- to Profit or loss	2,510.27	226.57	2,736.84
- to other comprehensive income			
As at 31st March 2018	2,510.27	226.57	2,736.84
Charged /(Credited)			
- to Profit or loss	(77.17)	398.15	320.97
- to other comprehensive income			
As at 31st March 2019	2,433.10	624.72	3,057.81

Amount taken to statement of Profit and Loss

Particulars	As at 31st March 2019	As at 31st March 2018
Increase/(Decrease) in Deferred Tax Liabilities	462.88	2,819.43
(Increase)/Decrease in Deferred Tax Assets	(320.97)	(2,736.84)
Net Amount Taken to Statement of Profit and Loss	141.91	82.59

Movement in Deferred Tax Asset

(₹ in Lakh)

Particulars	Net loss carry forward
As at 1st April 2018	2,510.27
Charged /Credited to P&L	(77.17)
As at 31st March 2019	2,433.10

Movement in Deferred Tax Liability

(₹ in Lakh)

Particulars	Property, Plant & Equipment
As at 1st April 2018	2,819.43
Charged /Credited to P&L	462.88
As at 31st March 2019	3,282.32

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 15 / Other Current Financial Liability

(₹ in Lakh)

Particulars	As at 31st March,2019	As at 31st March,2018
A) Current maturities of long term borrowings		
Loan From M/s Power Grid Corporation of India Ltd. (Holding Co.)	3,000.00	-
B) Interest accrued but not due on borrowings from		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	-	9.38
C) Others		
Dues for capital expenditure	16.82	572.12
Deposits/Retention money from contractors and others.	351.71	1,406.74
Payable to Power Grid Corporation of India Ltd (Holding Company)	-	108.43
	368.53	2,087.29
Total	**3,368.53**	**2,096.67**

Note :

Details of amount payable to related parties are provided in note 28

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 16 / Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March,2019	As at 31st March,2018
Statutory dues	14.39	4.84
Total	**14.39**	**4.84**

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 17/Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
Sales of services		
Transmission Charges	5,725.98	3,757.66
Total	**5,725.98**	**3,757.66**

Note:Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.Revenue & surcharges of Rs.7.31 Lacs has not been recognised during the year due to uncertainity of collection of consideration in line with Ind AS 115 'Revenue from Contracts with Customers'.

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 18 / Other income

(₹ in Lakh)

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
Miscelleaneous income	2.24	18.93
Surcharge	302.26	-
Fair Value gain on initial recognition of Financial liability		
Total	304.50	18.93
Less:Income transferred to expenditure during construction(Net)-Note 24	-	-
TOTAL	**304.50**	**18.93**

Note :

1. Miscelleaneous income represents Sale of Scrap

2. Revenue & surcharges of Rs.7.31 Lacs has not been recognised during the year due to uncertainity of collection of consideration in line with Ind AS 115 'Revenue from Contracts with Customers'.

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 19 / Finance costs

(₹ in Lakh)

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
i) Interest and finance charges on financial liabilities at amortised cost		
Loan from Power Grid Corporation of India Ltd. (Holding Company)	1,847.18	1,745.17
ii) Unwinding of discount on financial liabilities	-	93.06
Total	1,847.18	1,838.23
Less: Transferred to Expenditure during Construction(Net)-Note 22	-	456.74
TOTAL	**1,847.18**	**1,381.49**

Note :

Finance costs include Interest on loan received from Holding Company i.e. Powergrid against which related party discloser has been given in note no 28

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 20 / Depreciation and amortization expense

(₹ in Lakh)

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
Depreciation of Property,Plant and Equipment	1,636.80	1,165.48
Amortization of Intangible assets	2.40	1.62
TOTAL	**1,639.20**	**1,167.10**

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POWERGRID KALA AMB TRANSMISSION LIMITED

Note 21 / Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
Repair & Maintainence (Building, P&M & Substation)	3.77	2.51
System and Market Operation Charges	0.02	0.01
Power charges	-	31.70
Water Charges	-	0.15
Professional charges	20.34	463.58
Consultancy Expenses	669.33	28.40
Statutory Audit Fees	1.51	0.74
Statutory Auditor's out of pocket expenses	0.42	0.18
Printing and stationery	-	0.02
Brokerage & Commission	0.07	0.34
Capital Exp on asset on owned by company	-	78.54
CERC petition & Other charges	6.36	15.00
Rates and taxes	6.00	49.00
License Fees to DOT	-	0.10
Expense on Corporate Social Responsibility	7.08	-
Total	714.90	670.27
Less:Transferred to Expenditure during Construction(Net)-Note 22	18.45	503.90
TOTAL	**696.45**	**166.37**

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POWERGRID KALA AMB TRANSMISSION LIMITED
Note 22 / Expenditure during Construction (Net)

(₹ in Lakh)

Particulars	For the year ended 31st March,2019	For the year ended 31st March,2018
A.Other Expenses		
Power charges	-	15.14
Professional charges (Including TA/DA)	18.45	450.22
Payment to Auditors	-	0.18
Printing and stationery	-	0.02
Miscellaneous expenses	-	11.34
Rates and taxes	-	27.00
Total(A)	18.45	503.90
B.Depreciation/Amortisation		
C.Finance Costs		
Interest on Loan from Power Grid Corporation of India Ltd. (Holding Co.)	-	456.74
Unwinding of discount on financial liabilities		
Total (C)	-	456.74
D. Less: Other Income		
Fair Value gain on initial recognition of Financial liability		
Total (D)		
GRAND TOTAL (A+B+C-D)	**18.45**	**960.63**

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23: Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-7) & Dues for Capital Expenditure Shown 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 31stMarch 2019.

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.

24: Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Lakh)

Sr. No	**Particulars**	**Current Year**	**Previous Year**
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	 Nil Nil	 Nil Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

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25: Other Disclosures:

A. Employee Benefit Obligations

The company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (Including retirement benefits such as gratuity, leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising invoice to the Subsidiary company towards Consultancy Charges.

Since there are no employees in the company, the obligation as per Ind AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

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.

C. Leases

Finance Lease: The Company has no finance leases.
Operating Lease: The Company has no operating leases.

D. Other Income includes surchargeamounting to₹ 303.23 Lakh which was disputed before Hon'ble Central Electricity Regulatory Commission, New Delhi (CERC) and has been recognized as revenue after the order passed by CERC.

26: Borrowing Cost Capitalized during the year ₹ NIL (Previous Year₹ 456.74 Lakh) in the respective carrying amount of Property, Plant & Equipment/Capital Work in Progress (CWIP) as per Ind AS 27 "Borrowing Costs"

27: Fair Value Measurement

(₹ in Lakhs)

Financial Instruments by Category	31st March 2019		31st March 2018	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial Assets				
Trade Receivable		223.23		2,314.33
Cash & Cash Equivalents	-	7.08	-	1.00
Other Financial Assets	-	845.23	-	442.92
Total Financial Assets	-	**1075.54**	-	**2758.25**
Financial Liabilities				
Borrowings	-	19528.00	-	24,693.46
Other Financial Liabilities (Current & Non-Current)	-	3,593.03	-	2,087.29
Total Financial Liabilities	-	**23121.03**	-	**26,780.75**

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(i) Fair Value Hierarchy

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

(₹ in Lakhs)

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	Level 1	Level 2	Level 3	Total
As at 31st March 2019				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				-
Borrowings	-	21,896.03	-	19,528.00
Other Financial Liabilities	-	3,593.03	-	3,593.03
Total Financial Liabilities	-	**25,489.06**	-	**23,121.03**

(₹ in Lakhs)

Assets and Liabilities which are Measured at Amortised Cost for which Fair Values are Disclosed	Level 1	Level 2	Level 3	Total
As at 31st March 2018				
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				-
Borrowings	-	24,072.65	-	24,072.65
Other Financial Liabilities	-	2,087.29	-	2,087.29
Total Financial Liabilities	-	**26,159.94**	-	**26,159.94**

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 aslittle 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.

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Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level3. 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 inlevel 2

iii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost **(₹ in Lakhs)**

	31st March 2019		**31st March 2018**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Trade Receivables	223.23	223.23	2,314.33	2,314.33
Cash & Cash Equivalent	7.08	7.08	1.00	1.00
Other Current Financial Assets	845.23	845.23	442.92	442.92
Total Financial Assets	**1,075.54**	**1,075.54**	**2,758.25**	**2,758.25**
Financial Liabilities				
Borrowings	19,528.00	21,896.03	24,693.46	24,072.65
Other Financial Liabilities	3,593.03	3,593.03	2,087.29	2,087.29
Total Financial Liabilities	**23,121.03**	**25,489.06**	**26,780.75**	**26,159.94**

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.

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28:RelatedParty Transactions

(a)Holding Company

		Proportion of Ownership Interest	
Name of entity	Place of business/country of incorporation/Relationship	31st Mar 2019 Holding Company	31st Mar 2018 Holding Company
Power Grid Corporation of India Limited	India- Holding Company	100%	100%

(b)Subsidiaries of Holding Company

		Proportion of Ownership Interest	
Name of entity	Place of business/country of incorporation/Relationship	31st Mar 2019	31st Mar 2018
PowergridVizag Transmission Limited	India Fellow Subsidiary	NA	NA
Powergrid NM Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridUnchahar Transmission Limited	India Fellow Subsidiary	NA	NA
Powergrid Jabalpur Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridWarora Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridParli Transmission Limited	India Fellow Subsidiary	NA	NA
Powergrid Southern Interconnector Transmission Limited	India Fellow Subsidiary	NA	NA
PowergridVemagiri Transmission Limited	India Fellow Subsidiary	NA	NA
PowegridMedinipurJeerat Transmission Limited [erstwhile	India Fellow	NA	NA

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MedinipurJeerat Transmission Limited]	Subsidiary		
PowergridMithilanchal Transmission Limited [erstwhile ERSS XXI Transmission Limited]	India Fellow Subsidiary	NA	NA
Powergrid Varanasi Transmission Limited [erstwhile WR-NR Transmission Limited]	India Fellow Subsidiary	NA	NA
PowergridJawaharpur Firozabad Transmission Limited**[erstwhile Jawaharpur Firozabad Transmission Limited]	India Fellow Subsidiary	NA	NA

** 100% equity in PowergridJawaharpur Firozabad Transmission Limited acquired from REC Transmission Projects Company Limited on 21st December, 2018 by Holding Company.

(c) Joint Ventures of Holding Company

		Proportion of Ownership Interest	
Name of entity	**Place of business/country of incorporation/ Relationship**	**31st Mar 2019**	**31st Mar 2018**
PowerLinks Transmission Limited	India JV of Holding	NA	NA
Torrent Power Grid Limited	India JV of Holding	NA	NA
JaypeePowergrid Limited	India JV of Holding	NA	NA
ParbatiKoldam Transmission Company Limited	India JV of Holding	NA	NA
Teestavalley Power Transmission Limited*	India JV of Holding	NA	NA
North East Transmission Company Limited	India JV of Holding	NA	NA
National High Power Test Laboratory Private Limited	India JV of Holding	NA	NA
Bihar Grid Company Limited	India JV of Holding	NA	NA
KalingaVidyutPrasaran Nigam Private Limited**	India JV of Holding	NA	NA

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Cross Border Power Transmission Company Limited	India JV of Holding	NA	NA
RINL Powergrid TLT Private Limited***	India JV of Holding	NA	NA
Power Transmission Company Nepal Ltd	Nepal JV of Holding	NA	NA

*POWERGRID and TeestaUrja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74% equity , respectively as per Shareholding agreement .On call of additional equity by Teestavalley Power Transmission Limited, POWERGRID contributed their share amounting Rs.11.28 crore while the other JV partner has not yet contributed their share of money as on 31.03.2019.Consequently, the holding of POWERGRID increased to 28.23% as on 31.03.2019 against 26% provided in shareholding agreement.

** POWERGRID's Board of directors in its meeting held on 16th August 2017 accorded approval for initiating procedure for winding up/ removal of the name of KalingaVidyutPrasaran Nigam Private Limited under fast track exit mode of registrar of companies (ROC).

*** POWERGRID's Board of directors in its meeting held on 01.05.2018 accorded approval for initiating procedure for winding up/ removal of the name ofRINL Powergrid TLT Private Limited under fast track exit mode of registrar of companies (ROC).

(d) Key Management Personnel

Sr. No.	Name	Designation	Date of Appointment / Resignation
1	Smt. Seema Gupta	Chairperson & Director	w.e.f. 21.03.2018 to 18.10.2018
2.	Shri D. C. Joshi	Director	w.e.f. 07.05.2018 and continue Chairmanship (w.e.f. 30.10.2018 to 08.01.2019) Chairmanship (w.e.f. 22.01.2019 and continue)
3.	Shri J. P. Singh	Director	21.03.2018 and continue
4.	Smt. V. Susheela Devi	Director	07.05.2018 and continue
5.	Shri Ravi P. Singh	Chairman & Director	08.01.2019 to 22.01.2019
6.	Shri Abhay Choudhary	Director	22.01.2019 and continue

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5.	Shri Ravi P. Singh	Chairman & Director	08.01.2019 to 22.01.2019
6.	Shri Abhay Choudhary	Director	22.01.2019 and continue
7.	Shri Anil Sharma	CEO	Continue
7.	Shri S . K. Rai	CFO	w.e.f. 21.03.2018 and continue
8.	Shri Prabhat Singh	Company Secretary	w.e.f. 21.03.2018 to 31.07.2018
9.	Shri Piyush Rameshbhai Bhadreshvara	Company Secretary	w.e.f 17.09.2018 and continue
10.	Shri S. Vaithlingam	Director	w.e.f 11.03.2015 to 30.04.2018
11.	Shri D. K. Valecha	Director	w.e.f 12.05.2014 to 30.04.2018

(e) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakh)

Particulars	**31st March, 2019**	**31st March, 2018**
Services received by the Company		
Holding Company		
Power Grid Corporation of India Ltd.	582.86 (Excluding Taxes)	418.76 (Excluding Taxes)
Total	**582.86**	**418.76**

It is further disclosed that all the transactions of the Company with its Holding or Subsidiary / Fellow Subsidiary or Associate Companies has been done in the ordinary course of business and transacted on an arms length basis.

(f) Equity

(₹ in Lakhs)

Equity from Holding Company	**31st March, 2019**	**31st March, 2018**
Power Grid Corporation of India Ltd.	500.00	5495.00
Total	**500.00**	**5495.00**

(g) Interest on Loan

(₹ in Lakh)

Particulars	**31st March, 2019**	**31st March, 2018**
Holding Company		
Power Grid Corporation of India Ltd.	1847.18	1745.17
Total	**1847.18**	**1745.17**

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(₹ in Lakh)

Particulars	31st March, 2019	31st March, 2018
Payables		
Holding Company		
Power Grid Corporation of India Ltd	0.00	108.43
Total payables to related parties	**0.00**	**108.43**

(i) Loans to/from related parties

(₹ in Lakh)

Loans from Holding Company	**31st March, 2019**	**31st March, 2018**
Power Grid Corporation of India Ltd	22528.00	24684.08
Total	**22528.00**	**24684.08**

(j) Interest accrued on Loan

(₹ in Lakh)

Particulars	**31st March, 2019**	**31st March, 2018**
Holding Company		
Power Grid Corporation of India Ltd	0.00	9.38
Total	**0.00**	**9.38**

29:Segment Information

a) Business Segment

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

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

30:Capital and other Commitment

(₹ in Lakh)

Particulars	**As at 31st Mar 19**	**As at 31st Mar 18**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	219.36	644.13

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31:Contingent Liabilities and Contingent Assets

There is no Contingent Liability/Assets as on 31st March 2019(Nil as on 31st March 2018)

32: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 2019 and 31 March 2018.

Debt Equity Ratio maintained by the company is as follows –

(₹ in Lakh)

Particulars	**31st March 2019**	**31st March 2018**
Debt	22528.00	24684.08
Equity	7071.40	6352.19
Debt/ Equity Ratio	3.2 : 1	3.89 : 1

b) Dividends

(₹ in Lakh)

Particulars	**31st March 2019**	**31st March 2018**
(i) Equity Shares		
Interim dividend for the year ended 31st March, 2019 of ₹ 1.48 (31st March, 2018 – ₹ Nil) per fully paid share	902.80	NIL

33: Income Tax Expenses

This note provides an analysis of the Company's Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to the company's Tax Positions.

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(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Current Tax		
Current Tax on Profits for the Year	398.15	226.57
Total Current Tax Expenses (A)	. 398.15	226.57
Deferred Tax		
Origination and reversal of temporary differences	141.91	82.59
Total Deferred Tax Expenses/(Benefit)(B)	141.91	82.59
Income Tax Expense	540.06	309.16

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

(₹ in Lakhs)

Particulars	31st March 2019	31st March2018
PROFIT BEFORE TAX	1,847.65	1,061.63
TAX USING COMPANY'S DOMESTIC TAX RATE @ 29.12% (PREVIOUS YEAR 28.84%)	538.04	306.17
TAX EFFECT OF:		
NON DEDUCTIBLE TAX EXPENSES	2.06	-
TAX EXEMPT INCOME	-	-
MAT ADJUSTMENT	(141.96)	(79.60)
DEFFERED TAX	141.91	82.59
TAX EXPENSE CARRIED TO P/L	**540.05**	**309.16**

As company has option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

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34: Earnings per share

(in₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company from continuing operations	31st March, 2019	31st March, 2018
Basic and diluted earnings per share	2.21	4.02

(₹ in Lakhs)

(b)Reconciliation of earnings used in calculating earnings per share	31st March, 2019	31st March, 2018
Earnings attributable to the equity holders of the company	1307.59	752.47

(No. of shares)

(c) Weighted average number of shares used as the denominator	31st March, 2019	31st March, 2018
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	59424658	18706028
Adjustments for calculation of diluted earnings per share	NA	NA
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	59424658	18706028

35: 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,

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

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A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

- **Trade Receivables**

Trade receivable ₹ 223.23Lakh as on 31st March 2019(Previous Year₹2314.33Lakh)

- **Other Financial Assets (excluding trade receivables)**
- **Cash and cash equivalents**

  The Company held cash and cash equivalents of ₹7.08 Lakh (Previous Year₹ 1.00 Lakh). The cash and cash equivalents are held with public sector banks and do not have any significant credit risk.

(i) Exposure to credit risk

(₹ in Lakh)

Particulars	**31st March 2019**	**31st March 2018**
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	7.08	1.00
Other current financial assets	845.23	442.92
Total	852.31	443.92
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	223.23	2314.33

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(ii) Provision for Expected Credit Losses

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required

B) Liquidity risk

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance to Holding Company along with Monthly Requirement.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

(ii) Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2019				
Borrowings (including interest outflows)	4,735.94	16632.05	8574.74	29,942.70
Other financial liabilities	368.53			368.53
Total	5104.47	16632.05	8574.74	30311.26
31 March 2018				
Borrowings (including interest outflows)	1902.08	20343.89	11829.25	34075.22
Other financial liabilities	2087.29			2087.29
Total	**3989.37**	**20343.89**	**11829.25**	**36162.51**

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C) <u>Market risk</u>

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.

36: Corporate Social Responsibilities (CSR) :

As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2014 read with DPE guidelines no. F.No.15 (13)/2013-DPE (GM), the company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in accordance with its CSR Policy. The details of CSR expenses for the year are as under.

(₹ in Lakh)

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.	Amount Required to be spent during the year	7.08	NIL
B.	Amount spent on CSR- 1. For Construction/ Acquisition of asset 2.For the purpose other than above	 7.08 NIL	 NIL NIL
C.	Shortfall/(Excess) amount appropriated to CSR Reserve	NIL	NIL
D.	Break-up of the amount spent on CSR		
	Ecology and Environment Expenses	7.08	NIL

Total amount of ₹ 7.08 Lakh (Previous year ₹NIL) has been spent

37: Recent Accounting Pronouncements:

<u>**Recent Accounting Pronouncements effective from 1st April 2019:**</u>

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Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors will not significantly change.

The Company is evaluating the requirements of the amendment and the effect on financial statements.

Amendments to Ind AS 19, 'Employee Benefits'

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must :

- Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
- Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
- Separately recognise any changes in the asset ceiling through other comprehensive income.

These amendments will apply to any future plan amendments, curtailments, or settlements of the Company on or after 1 April 2019. The Company is evaluating the requirements of the amendment and the effect on financial statements.

Amendment to Ind AS 12, 'Income Taxes'

The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The Company is evaluating the requirements of the amendment and the effect on financial statements.

Amendments to Ind AS 23, 'Borrowing Costs'

The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

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The Company is evaluating the requirements of the amendment and the effect on financial statements.

38: Ind AS 115 'Revenue from Contracts with Customers':

Effective April 1,2018 the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether,how much and when revenue is to recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts. The Company has applied Ind AS 115 retrospectively only to the contracts that are not completed as at the date of initial application, with the cumulative effect of initial application recognized as an adjustment to the opening balance of General Reserve at April 1 ,2018.In Accordance with the transition guidance in Ind AS 115 has only been applied to contracts that are incomplete as at April 1 ,2018.

The company's accounting policies for its revenue streams are disclosed in Note 2.14.The application of Ind AS 115 does not have any significant impact on the financial position and/or financial performance of the company. The amount of adjustment for each line item of financial statement affected by the application of Ind AS 115 is as given below.

Impacts on assets, liabilities and equity as at April 1, 2018

(₹in Lakhs)

	As previously reported	Ind AS 115 adjustments	As restated
Contract liabilities	Nil	Nil	Nil
Other Equity – General Reserve	Nil	Nil	Nil

Impacts on Statement of Profit and Loss for the period ended March 31, 2019

Due to Implementation of Ind AS 115, Revenue from Operation increased by ₹ Nil, Finance Cost increased by ₹ Nil and Other Expenses increase by ₹ Nil. Profit after Tax increased by ₹ Nil during the year.

The following table discloses the movement in Unbilled Revenue during the year ended 31 March, 2019 and 31 March,2018.

(₹in Lakhs)

	31st March, 2019	31st March, 2018

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Balance at the beginning	442.92	Nil
Add: Revenue recognized during the period	845.23	442.92
Less: Invoiced during the period	442.92	Nil
Less: Impairment or reversal during the period	Nil	Nil
Add: Transaction Gain/(Loss)	Nil	Nil
Balance at the end	845.23	442.92

The following table discloses the movement in contract liability during the year ended 31 March 2019 and 31 March 2018.

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning	Nil	Nil
Add: Advance billing during the period	Nil	Nil
Less: revenue recognised during the period From contract liability as at beginning of the period From contract liability recognised during the period	Nil	Nil
Add: Translation gain/(Loss)	Nil	Nil
Balance at the end	Nil	Nil

The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Pricevis-a-vis revenue recognized in profit or loss statement is as follows-

(₹in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Contracted price	5781.60	3757.66
Add/ (Less)- Discounts/ rebates provided to customer	(49.28)	-
Add/ (Less)- Performance bonus	-	-
Add/ (Less)- Adjustment for significant financing component	-	-
Add/ (Less)- Other adjustments	(6.34)	-
Revenue recognized in profit or loss statement	5725.98	3757.66

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A provision of ₹ Nil has been created in the current financial year against trade receivables and unbilled debtors outstanding as on 31.03.2018 from a few customers and revenue from transmission and surcharge thereon amounting to ₹ 7.31lakh has not been recognised during the year due to uncertainty of collection of consideration in line with Ind AS 115 'Revenue from Contracts with Customers'.

39: 1.Previous year figures have been regrouped and rearranged wherever necessary.
2. Figures have been rounded off to the nearest Rupees in Lakh upto Two Decimal.

As per our report of even date
For Amit Jai & Co
Firm Regn. No. 021613N

For and on behalf of the Board of Directors

(CA Amit Gupta)
Partner
M. No. 098478

D C Joshi
Chairman
DIN:08097844

V. Susheela Devi

V Susheela Devi
Director
DIN: 07828528

Place:
Date:

AMIT JAI & CO.
JAMMU
021613N
Chartered Accountants

S K Rai
CFO

Piyush Bhadreshvara
Company Secretary

Place : Gurugram
Date : 22.05.2019