FINANCIAL STATEMENTS & NOTES FOR THE YEAR ENDED 31ST MARCH 2019

POWERGRID MITHILANCHAL TRANSMISSION LIMITED

(Formerly ERSS XXI Transmission Limited)

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

Corporate Office: Board Colony, Shastri Nagar, Patna-800023

POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No	As at 31st MArch,2019	As at 31st March,2018
ASSETS			
Non-Current Assets			
Property, Plant and equipment	4	3,942.96	-
Capital work in progress	5	15,534.49	2,566.93
Other non-current assets	6	4,602.89	-
		24,080.34	**2,566.93**
Current Assets			
Financial Assets			
Cash & Cash equivalents	7	7.27	0.18
		7.27	**0.18**
Total Assets		**24,087.61**	**2,567.11**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8	5.00	5.00
Other Equity	9	(0.70)	(0.70)
		4.30	**4.30**
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	10	20,352.98	-
Other non-current financial liabilities	11	739.88	
		21,092.85	**-**
Current Liabilities			
Financial Liabilities			
Other current financial liabilities	12	2,874.64	2,502.18
Other current liabilities	13	115.81	60.63
		2,990.45	**2,562.81**
Total Equity & Liabilities		**24,087.61**	**2,567.11**

The significant Accounting policies and Notes to Accounts (1 to 32) are an integral part of these financial statements.

In terms of our Report of even date

For H. L. Shah & Associates
Chartered Accountants
ICAI FRN : 004057C

(CA Pravind Kumar Singh)
Partner
Membership No.- 408793

H.L. Shah & Associates PATNA Chartered Accountants

For and on behalf of the Board

(Seema Gupta)
Chairperson
DIN-06636330

(K.S.R Murty)
Director
DIN-07359191

Place: Patna
Date: 21.05.19

(CFO)

Place: Gurgaon
Date: 21.05.19

POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Statement of Profit and Loss for the period from 01.04.2018 to 31.03.2019

(₹ in Lakhs)

Particulars	Note No	For the period from 01.04.2018 to 31.03.2019	For the period from 11.01.2017 to 31.03.2018
Revenue from operation		-	-
Other income	14	-	-
Total Income		-	-
Expenses			
Finance cost	15	-	-
Other Expenses	16	-	0.38
Preliminary Expenses		-	0.32
Total Expenses		-	0.70
Profit before tax		-	(0.70)
Tax expenses		-	-
Profit for the period		-	(0.70)
Other Comprehansive Income		-	-
Total Comprehensive Income for the period		-	(0.70)
Earnings per Equity Share (Par Value ₹ 10 each)			
Basic (in ₹)		-	(1.40)
Diluted (in ₹)		-	(1.40)

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Chartered Accountants
ICAI FRN : 004057C

(CA Pravind Kumar Singh)
Partner
Membership No.- 408793

Place: Patna
Date: 21.05.19

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POWERGRID MITHILANCHAL TRANSMISSION LTD

(formerly ERSS XXI Transmission Limited)

CIN : U40300DL2017GOI310436

Statement of Cash Flows for the period from 01.04.2018 to 31.03.2019

(₹ in Lakhs)

Particulars	For the period ended 31st March, 2019	For the year ended 31st March, 2018
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	-	(0.70)
Operating Profit/(Loss) before working capital change	**-**	**(0.70)**
Adjustment for:		
Increase/Decrease in other current financial liabilities	372.46	2,502.18
Increase/Decrease in other current liabilities	55.18	60.63
Other non-current liabilities	739.88	-
Net Cash Flow (used in)/from operating activities (A)	**1,167.52**	**2,562.81**
B.CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and equipment	(3,942.96)	
Capital work in progress (CWIP)	(12,179.23)	(2,566.93)
Loan & Advance given	(4,602.89)	
Net cash (used in)/from Investing activities (B)	**(20,725.08)**	**(2,566.93)**
C.CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital during the year	-	5.00
Proceeds from Borrowings/Loans	20,352.98	
Interest and financial charges on financial liabilities	(788.33)	-
Net Cash Flow from Financing Activities (C)	**19,564.65**	**5.00**
Net Increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)	**7.09**	**0.18**
Cash and Cash Equivalents at the beginning of the period	0.18	-
Cash and Cash Equivalents at the end of the period (Note 7)	**7.27**	**0.18**

Note :

Cash and Cash equivalents consist balances with banks in current accounts.

The significant Accounting policies and Notes to Accounts (1 to 32) are an integral part of these financial statements

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POWERGRID MITHILANCHAL TRANSMISSION LTD
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Statement of Changes in Equity for the period ended 31st March, 2019

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Total
As at 1st April, 2018	5.00
Changes in equity share capital	-
As at 31st March, 2019	**5.00**
Particulars	**Total**
As at 1st April, 2017	5.00
Changes in equity share capital	-
As at 31st March, 2018	**5.00**

B. Other Equity *(₹ in Lakhs)*

Particulars	Reserve & Surplus
	Retained Earnings
As at 1st April, 2018	(0.70)
Total Comprehensive Income during the period	-
Balance at 31st March, 2019	**(0.70)**
Particulars	**Reserve & Surplus**
	Retained Earnings
As at 1st April, 2017	-
Total Comprehensive Income during the period	(0.70)
Balance at 31st March, 2018	**(0.70)**

Refer to Note 5 for Nature & Movement of Other Equity.

The significant Accounting policies and Notes to Accounts (1 to 32) are an integral part of these financial statements

In terms of our Report of even date

For H. L. Shah & Associates
Chartered Accountants
ICAI FRN : 004057C

(CA Pravind Kumar Singh)
Partner
Membership No.- 408793

Place: Patna
Date: 21.05.19

H. L. Shah & Associates PATNA Chartered Accountants

For and on behalf of the Board

(Seema Gupta)
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Note 4/ Property, Plant and equipment

(₹ in Lakhs)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April,2018	Additions during the period	Disposal	Adjustment during the year	As at 31st March, 2019	As at 1st April,2018	Additions during the period	Disposal	Adjustment during the year	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Land												
Perpetual Leasehold	-	3,942.96	-	-	3,942.96	-	-	-	-	-	3,942.96	-
Total	**-**	**3,942.96**	**-**	**-**	**3,942.96**	**-**	**-**	**-**	**-**	**-**	**3,942.96**	**-**
Less: Provision for assets discarded	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**-**	**3,942.96**	**-**	**-**	**3,942.96**	**-**	**-**	**-**	**-**	**-**	**3,942.96**	**-**

The Company owns 42.247 hectare (Previous Year NIL hectare) of Leasehold land amounting to ₹ 3942.96 Lakhs (Previous Year ₹ NIL Lakhs) which has been classified as Perpetual leasehold land based on available documentation.

H.L. Shah & Associates
PATNA
Chartered Accountants

Note 5/Capital work in progress

(₹ in Lakhs)

Particulars	As at 31st March,2018	Additions during the period	Adjustments	Capitalised during the period	As at 31st March, 2019
Development of Land	-	3,942.99	-	3,942.98	0.00
a) Transmission	-	2,454.98	-	-	2,454.98
b) Substation		218.67		-	218.67
Expenditure pending allocation					
Expenditure during construction period (net) (Note-17)	2,566.93	1,422.89	-		3,989.82
Construction Stores (Net of Provision)	-	8,871.01	-	-	8,871.01
Total	**2,566.93**	**16,910.54**	**-**	**3,942.98**	**15,534.49**

Note 5/Capital work in progress

(₹ in Lakhs)

Particulars	As at 1st April,2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2018
Expenditure pending allocation					
Expenditure during construction period (net) (Note-13)		2,566.93	-	-	2,566.93
Total	**-**	**2,566.93**	**-**	**-**	**2,566.93**

Note 5/Capital work in progress (Details of Construction Stores)
(At cost)

(₹ in Lakhs)

Construction Stores	As at 31st March, 2019	As at 31st March, 2018
Sub-Station Equipments	1,187.95	-
Towers	3,547.61	-
Other Line Materials	1,374.03	-
Conductors	1,274.09	-
Sub-Station Equipments	1,486.36	-
Others	0.97	-
Grand Total	**8,871.01**	**-**

(₹ in Lakhs)

Construction Stores includes:	As at 31st March, 2019	As at 31st March, 2018
i) Material in transit		
Sub-Station Equipments	1,187.95	-
Total	**1,187.95**	**-**
ii) Material with Contractors		
Towers	3,547.61	-
Other Line Materials	1,374.03	-
Conductors	1,274.09	-
Sub-Station Equipments	1,486.36	-
Others	0.97	-
Total	**7,683.06**	**-**
Grand Total	**8,871.01**	**-**

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POWERGRID MITHILANCHAL TRANSMISSION LTD

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Note 6/Other non-current assets

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances for Capital Expenditure		
Against Bank guarantees	4,602.89	-
	-	-
Total	**4,602.89**	-

POWERGRID MITHILANCHAL TRANSMISSION LTD
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Note 7/Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As as 31st March, 2018
Balance with Banks-		
In Current Accounts with scheduled banks	7.27	0.18
Total	**7.27**	**0.18**

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POWERGRID MITHILANCHAL TRANSMISSION LTD

(formerly ERSS XXI Transmission Limited)

CIN : U40300DL2017GOI310436

Note 8 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Equity Share Capital Authorised Share Capital 50,000 Equity Shares of ₹ 10 each	5.00	5.00
Issued,Subscribed and Paid up capital 50,000 fully paid up Equity shares of ₹ 10/- each (100 % shares held by Holding Company "Power Grid Corporation of India Ltd ")	5.00	5.00
Total	**5.00**	**5.00**

Further Notes :

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity shares outstanding at the beginning of period	50,000.00	5.00	50,000.00	5.00
Add: Shares issued during the period	-	-	-	-
Equity shares outstanding at the end of period	**50,000.00**	**5.00**	**50,000.00**	**5.00**

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

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

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 Limited #	50,000	100	50,000	100
TOTAL	**50,000**	**100**	**50,000**	**100**

Out of 50000 Equity Shares, 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.

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POWERGRID MITHILANCHAL TRANSMISSION LTD
(formerly ERSS XXI Transmission Limited)
CIN : U40300DL2017GOI310436

Note 9/Other Equity

(₹ in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
Reserves and Surplus		
Retained Earnings		
Balance at the beginning of the period	(0.70)	-
Addition during the period	-	(0.70)
Total	**(0.70)**	**(0.70)**
Subtotal	**(0.70)**	**(0.70)**

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POWERGRID MITHILANCHAL TRANSMISSION LTD

(formerly ERSS XXI Transmission Limited)

CIN : U40300DL2017GOI310436

Note 10/Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Loan from Power Grid Corporation of India Ltd (Holding Company)	20,352.98	-
Total	**20,352.98**	**-**

Further Note - Inter Corporate Loan is provided by Holding Company on Cost to Cost Basis at the rate of interest which varies from 7.85% to 8.60% repayable over a period of 5 to 15 years

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POWERGRID MITHILANCHAL TRANSMISSION LTD
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Note 11/Other Non-current financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other liabilities		
Deposit/Retention Money-contractors/Other	739.88	-
Total	**739.88**	**-**

Note:-
Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 21 (d)

H.L. Shah & Associates PATNA Chartered Accountants

POWERGRID MITHILANCHAL TRANSMISSION LTD
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Note 12/Other current financial liabilities

(₹ in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
A) Interest accrued but not due on borrowings from		
Loan from Power Grid Corporation of India Ltd. *	30.40	
B) Others		
i) Dues for Capital Expenditure	1,970.95	2,501.83
ii) Deposit/Retention Money-contractors/Other	551.04	
iii) Payable to Power Grid Corp. of India Ltd. *	321.90	
iv) Auditor Remuneration Payable	0.35	0.35
Total	**2,874.64**	**2,502.18**

Note:-
Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 21 (d)

*Breakup of Related Parties is provided in Note 22

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POWERGRID MITHILANCHAL TRANSMISSION LTD

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Note 13/Other Current Liabilities

(₹ in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
Statutory Dues	115.81	60.63
Total	**115.81**	**60.63**

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POWERGRID MITHILANCHAL TRANSMISSION LTD

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Note 14/ Other Income

(₹ in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
Other Income		
Interest from advances to contractors	**201.26**	-
FV gain on initial recognition of Fin.Liab	**104.29**	
Sale of RFP Documents	-	40.00
Total	**305.56**	**40.00**
Less : Transferred to Expenditure during construction (Net) Note - 17	**305.56**	**40.00**
Grand Total	-	-

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POWERGRID MITHILANCHAL TRANSMISSION LTD
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Note 15/Finance Cost

(₹ in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
I) Interest and financial charges on financial liabilities at amortised cost		
Interest on Loan from Power Grid Corporation of India Ltd	788.33	
Interest charged		9.54
II) Unwinding of discount on financial liabilities	16.62	-
Total	**804.95**	**9.54**
Less : Transferred to Expenditure during construction (Net) Note - 17	**804.95**	9.54
Grand Total	-	-

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POWERGRID MITHILANCHAL TRANSMISSION LTD

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Note 16/ Other Expenses

(Rs. in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
Other Expenses		
Prefessional fee charged	0.03	1,591.65
Reimbursement of cost incurred to REC Transmission Projects	-	229.49
Auditor Remuneration	0.35	0.35
Bank Charges	0.01	0.02
Fee-Adoption Transmission chgs	-	25.00
Fee-Grant of Transmis. License	-	1.00
BG Charges	-	34.82
Stamp Charges	-	0.01
Consultancy Chages payable to Power Grid Corporation of India Ltd	918.24	715.43
Legal Expenses	0.15	-
Licence Fee to CERC	4.69	-
Licence Fee	0.03	-
Total	**923.50**	**2,597.77**
Less : Transferred to Expenditure during construction (Net) Note - 17	**923.50**	**2,597.39**
Grand Total *	-	0.38

* Remarks : Grand Total includes Auditor Remuneration, Bank Charges & Stamp Charges expenses.

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Note 17/Expenditure during construction (Net)

(₹ in Lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
A. Other Expenses		
Prefessional fee charged	0.03	1,591.65
Reimbursement of cost incurred to REC Transmission Projects	-	229.49
Auditor Remuneration	0.35	-
Bank Charges	0.01	-
Fee-Adoption Transmission chgs	-	25.00
Fee-Grant of Transmis. License	-	1.00
BG Charges	-	34.82
Consultancy Chages payable to Power Grid Corporation of India Ltd	918.24	715.43
Legal Expenses	0.15	-
Licence Fee to CERC	4.69	-
Licence Fee	0.03	-
Total A	**923.50**	**2,597.39**
B.Finance Cost		
Interest charged	804.95	9.54
Total B	**804.95**	**9.54**
C. Less : Other Income		
Sale of RFP Documents	-	40.00
Interest from advances to contractors	305.56	-
Total C	**305.56**	**40.00**
Grand Total (A+B-C)	**1,422.89**	**2,566.93**

H.L. Shah & Associates PATNA Chartered Accountants

Notes to Financial Statements

1. Corporate and General Information

M/s **POWERGRID MITHILANCHAL TRANSMISSION LIMITED** ("the Company") domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India.

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

The Financial Statements of the Company for the year ended 31st March 2019 were approved for issue by the Board of Directors on 21.05.2019.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

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

iii) Functional and Presentation Currency

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

iv) Use of Estimates

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

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 other liabilities are classified as non-current.

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2.2 Property, Plant and Equipment (PPE)

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

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

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

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

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

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

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

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

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Subsequent costs

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

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

De-recognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

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2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

2.5 Depreciation / Amortization

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

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

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

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

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

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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

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

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

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

Intangible Assets

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

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

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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. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

Other borrowing costs are charged to revenue

2.7 Impairment of Non-Financial Assets, other than Inventories

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

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

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

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

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

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

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

2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific

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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

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 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.

Operating leases

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

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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

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

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

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.

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De-recognition of financial assets

A financial asset is derecognized only when

The right to receive cash flows from the assets have expired, or

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

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.

Classification, initial recognition and measurement

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

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transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

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

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

De-recognition of financial liability

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

Offsetting of financial instruments

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

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates ('the Functional Currency'). The Financial Statements are presented in Indian Rupees (Rupees or ₹), which is the Company's Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the rates of exchange ruling on the date of Balance Sheet. Non-Monetary items denominated in foreign currency are reported at the exchange rate

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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.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current Income Tax

The Current Tax is based on taxable profit for the year under the 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 method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

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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.

2.14.1 Revenue Recognition from Operations

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

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

2.14.2 Other Income

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

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

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

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

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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 or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

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

2.20 Cash Flow Statement

Cash flow statement is prepared as per Indirect Method prescribed in the Ind AS 7 "Statement of Cash Flows".

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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. Useful life of property, plant and equipment

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

2. Provisions and contingencies

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

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

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Notes to Financial Statements

18. **Exceptional and Extraordinary Items**

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

19. **Party Balances and Confirmations**

a) Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-6) and Other liablities Shown under Other Non-Current Financial Liabilities (Note-11) and Other Current Financial Liabilities (Note-12) include balances subject to confirmation/reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis and Balance Confirmation were carried out on balances as on 31st December, 2018.

b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.

20. **Auditors Remuneration**

S. No.	Particulars	FY 2018-19 Amount (₹. in Lakhs)	FY 2017-18 Amount (₹. in Lakhs)
1	Statutory Audit Fees	0.30	0.30
2	Tax Audit	-	-
3	Other Matters	-	0.30
4	GST/Service Tax	0.05	0.10
	Total	**0.35**	**0.70**

21. **Other Disclosures**

a. Employee Benefits

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

b. Taxation

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

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Leases

Finance Lease: The Company has no finance leases.

Operating Lease: The Company has no operating leases.

c. **Borrowing cost**

Borrowing Cost of ₹ **804.95/- Lakhs** (Previous Year **9.54/- Lakhs**) has been adjusted in the Property Plant & Equipment (PPE) / Capital Work in Progress (CWIP) as per Ind AS 23- "Borrowing Costs".

d. **Dues to Micro and Small Enterprises**

Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

Sr. No.	Particulars	31.03.2019	31.03.2018
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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22. Related party Transactions

(a) Holding Company

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

(b) Subsidiaries

		Proportion of Ownership Interest	
Name of entity	**Place of business/country of incorporation**	**31st March, 2019**	**31st March, 2018**
Powergrid Vizag Transmission Limited	India	N.A	N.A
Powergrid NM Transmission Limited	India	N.A	N.A
Powergrid Unchahar Transmission Limited	India	N.A	N.A
Powergrid Kala Amb Transmission Limited	India	N.A	N.A
Powergrid Jabalpur Transmission Limited	India	N.A	N.A
Powergrid Warora Transmission Limited	India	N.A	N.A
Powergrid Parli Transmission Limited	India	N.A	N.A
Powergrid Southern Interconnector Transmission Limited	India	N.A	N.A
Powergrid Vemagiri Transmission Limited	India	N.A	N.A
Powergrid Medinipur Jeerat Transmission Limited	India	N.A	N.A
Powergrid Varanasi Transmission System Limited(erstwhile WR-NR Power Transmission Limited)	India	N.A	N.A
Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)#	India	N.A	N.A

#100% equity in Powergrid Jawaharpur Firozabad Transmission Limited acquired from REC Transmission Projects Limited on 21st December, 2018.

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(c) Joint Ventures

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest 31st March, 2019	Proportion of Ownership Interest 31st March, 2018
Powerlinks Transmission Limited	India	N.A	N.A
Torrent Power Grid Limited	India	N.A	N.A
Jaypee Powergrid Limited	India	N.A	N.A
Parbati Koldam Transmission Company Limited	India	N.A	N.A
Teestavalley Power Transmission Limited###	India	N.A	N.A
North East Transmission Company Limited	India	N.A	N.A
National High Power Test Laboratory Private Limited	India	N.A	N.A
Bihar Grid Company Limited	India	N.A	N.A
Kalinga Bidyut Prasaran Nigam Private Limited#	India	N.A	N.A
Cross Border Power Transmission Company Limited	India	N.A	N.A
RINL Powergrid TLT Private Limited##	India	N.A	N.A
Power Transmission Company Nepal Ltd	Nepal	N.A	N.A

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

##POWERGRID's Board of Directors in its meeting held on 01st May 2018 accorded in-principle approval to close RINL Powergrid TLT Private Limited and seek consent of other JV Partner Rashtriya Ispat Nigam Limited.

###POWERGRID & Teesta Urja Ltd. are the joint venture partners in Teestavalley Power Transmission Limited & holds 26% and 74% of equity respectively as per shareholding agreement. On call of additional equity by Teestavalley Power Transmission Limited, POWERGRID contributed their share amounting 11.28 crores while the other JV partner has not 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.

(d) Key Management Personnel

Sr. No.	Name of Director	Designation	Date of Appointment	Date of Resignation
1.	Ms. Seema Gupta	Chairperson & Director	10.07.2018	Continuing
2.	Shri K. S. R. Murty	Director	12.01.2018	Continuing
3.	Shri Sunit Nath Sahay	Director	12.01.2018	Continuing
3.	Shri Abhay Choudhary	Director	15.10.2018	Continuing
4.	Shri Prabhakar Singh*	Chairman & Director	12.01.2018	30.06.2018

(e) Transactions with related parties

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

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(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Purchases of Goods and Services		
Holding Co.		
Power Grid Corporation of India Limited	321.90	2,501.83

(f) Investments Received during the year (Equity)

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Holding Co.		
Power Grid Corporation of India Limited	-	5.00

(g) Loans From Related Parties

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Holding Co.		
Power Grid Corporation of India Limited	20,352.98	-

(h) Interest Accrued on Loan

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Holding Co.		
Power Grid Corporation of India Limited	30.40	-

(i) Transactions with related parties

The following transactions occurred with related parties:

1. Consultancy Charges

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Holding Co.		
Power Grid Corporation of India Limited	778.17	606.30

2. Interest on Loan

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Holding Co.		
Power Grid Corporation of India Limited	788.33	-

23. Segment Information

Business Segment

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

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

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24. Property, Plant and Equipment

The Company owns 42.247 hectare (Previous Year NIL hectare) of land amounting to ₹ 3942.96 Lakhs (Previous Year ₹NIL Lakhs) which has been classified as Perpetual leasehold land based on available documentation.

25. Earnings Per Share

(₹ in Lakhs)

	Year Ended	
(a) Basic Earnings Per Share attributable to the Equity Holders of the Company	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
From Continuing Operations including Movement in Regulatory Deferral Balances	-	-1.40
From Continuing Operations excluding Movement in Regulatory Deferral Balances	-	-1.40
Total Basic and Diluted Earnings Per Share attributable to the Equity Holders of the Company	-	-1.40

(₹ in Lakhs)

(b) Reconciliation of Earnings used as Numerator in Calculating Earnings Per Share	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Earnings attributable to the Equity Holders of the Company including Movement in Regulatory Deferral Balances	-	-0.70
Earnings attributable to the Equity Holders of the Company excluding Movement in Regulatory Deferral Balances	-	-0.70
Total Earnings attributable to the Equity Holders of the Company	-	**-0.70**

(No. of Shares)

(c) Weighted Average Number of Shares used as the Denominator	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Weighted Average Number of Equity Shares used as the Denominator in calculating Basic Earnings per Share	50,000	50,000
Adjustments for calculation of Diluted Earnings per Share:	-	-
Total Weighted Average Number of Equity Shares used as the Denominator in Calculating Basic Earnings per Share	50,000	50,000

26. Corporate Social Responsibilities (CSR)

As per section 135 of the Companies Act 2013, every company having net worth of Rupees Five Hundred Crore or more, or Turnover of Rupees One Thousand Crore or more or a Net Profit of Rupees Five Crore or more during any Financial Year, every year the company is required to spend, at least Two per cent of the Average Net Profits of the Company made during the Three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, PMTL has not satisfied any of the above criteria, Expenditure on account of CSR does not apply to the company."

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27. Fair Value Measurements

(₹. In Lakhs)

	31st March, 2019		31st March, 2018	31st March, 2018
Financial Instruments by category	**FVOCI**	**Amortised cost**	**FVOCI**	**Amortised cost**
Financial Assets				
Cash & cash Equivalents	-	7.27	-	0.18
Total Financial assets	-	**7.27**	-	**0.18**
Financial Liabilities Borrowings	-	20,383.38	-	-
Other Financial Liabilities (Current & Non-Current)	-	3,699.93	-	2502.18
Total financial liabilities	-	**24,083.31**	-	**2502.18**

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

(₹. in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
At 31 March 2019 **Financial Assets**	-	-	-	-	-
Total Financial Assets	-	-	-	-	-
Financial Liabilities					
Borrowings			20,321.44		20,321.44
Other Financial Liabilities (Current & Non-Current)	-	-	3,639.19	-	3,639.19
Total financial liabilities	-	-	**23,960.63**	-	**23,960.63**

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.
There are no transfers between levels 1 and 2 during the year.

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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

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

(₹. in Lakhs)

	31st March 2019		**31st March 2018**	
	Carrying Amount	Fair value	**Carrying Amount**	**Fair value**
Financial Assets Financial Assets	7.27	7.27	0.18	0.18
Total Financial Assets	**7.27**	**7.27**	**0.18**	**0.18**
Financial Liabilities Borrowings	20,383.38	20,321.44	-	-
Other Financial Liabilities (Current & Non-Current)	3699.93	3,639.19	2502.18	2502.18
Total financial liabilities	**24,083.31**	**23,960.63**	**2502.18**	**2502.18**

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

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

28 i). Capital management

a) Risk Management

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.The company monitors the debt equity ratio as the company policy is to maintain a 80:20. However, since the company has not fully implemented the project the actual ratio as on 31.03.2019 is temporary and considered normal.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019.

b) No divend declared has been declared by the company in the previous yearand current year.

ii) Financial Risk Management:

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

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

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

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

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

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

A) Credit Risk

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

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

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

(i) Trade Receivables

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

(ii) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 7.27 Lakhs on 31st March, 2019. The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- **Exposure to credit risk**

(₹. in Lakhs)

Particulars	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	7.27	0.18
Total	**7.27**	**0.18**

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

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

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

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

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

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

B) Liquidity risk

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

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

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

Maturities of financial liabilities

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

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

(₹. in Lakhs)

Contractual maturities of financial liabilities	Within a year	Between 1-2 years	Between 2-5 years	Beyond 5 years	Total
31 March 2019					
Borrowings	1,726.03	1,686.46	6,510.99	24,268.62	34,192.10
Other financial liabilities	23,343.43	827.55	-	-	24,170.98
Total	25,069.46	2,514.01	6,510.99	24,268.62	58,363.08

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2018				
Current financial liabilities	2502.18	-	-	2502.18
Total	**2502.18**	-	-	**2502.18**

C) Market Risk

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

i. Currency risk

ii. Interest rate risk

i) **Currency risk**

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.

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ii) **Interest rate risk**

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

29. Capital and other Commitments

(₹. in Lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) *	87,455.00	80,839.41

30. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

(i) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to ₹ Nil (Previous Year ₹ Nil) are being contested before Appellate Authorities.

31. Income Tax Expense

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

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Income Tax Expense	-	-
Current Tax	-	-
Current Tax on Profits for the year	-	-
Total Current Tax Expense	-	-
Income Tax Expense	-	-

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Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate:

(₹ in Lakhs)

Particulars	31st March 2019	31st March 2018
Profit before Tax	Nil	Nil
Tax Using Company's Domestic Tax Rate @ 29.12% (Previous Year 27.55%)	Nil	Nil
Tax Effect of: Non Deductible Tax Expenses Tax Exempt Income Mat Adjustment Deffered Tax	Nil	Nil
TAX EXPENSE CARRIED TO P/L	Nil	Nil

32.A Recent Accounting Pronouncements:

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.

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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.

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

32.B Previous Year Figures

1. The Previous Year's Figures have been reclassified/re-grouped wherever necessary
2. Figures have been rounded off to nearest Rupees in Lakhs up to Two Decimal

For H. L. Shah & Associates
Chartered Accountants
ICAI FRN : 004057C

(CA Pravin Kumar Singh)
Partner
Membership No.- 408793

Place: Patna
Date: 21.05.19

For and on behalf of the Board

(Seema Gupta)
Chairperson
DIN-06636330

(K.S.R Murty)
Director
DIN-07359191

Place: Gurgaon
Date: 21.05.19

(CFO)

H.L. Shah & Associates
PATNA
Chartered Accountants