INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED (Formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)**

Report on the Ind-AS Financial Statements

Opinion:

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED (Formerly JAWAHARPUR FIROZABAD 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 period then ended, and 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, of the state of affairs of the company as at 31st March 2019, its loss including other comprehensive income, its changes in equity and its cash flows for the period ended on that date.

Key Audit Matters

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

Basis for Opinion

We conducted our audit in accordance with the Standards 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 that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

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Management's Responsibility for the Financial Statements

The Company's Board of Directors are 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.

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.

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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 (including Other Comprehensive Income),the Statement of Changes in Equity and the Statement of Cash Flows 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 the relevant rules issued thereunder.

   e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors is 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 22 to the Ind AS financial statements;

   ii. The Company did not have any Long-Term Contracts including Derivative Contracts and hence there were no foreseeable losses.

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

For PARM & Associates LLP,
Chartered Accountants

(CA Rakesh Kumar Gupta)
Partner
Membership No.08596
Firm Regn. No. 507094C

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20/05/2019

Annexure – A

As referred to in our Independent Auditors' Report to the members of the **Powergrid Jawaharpur Firozabad Transmission Limited ('the Company')**, on the standalone 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 no Fixed assets hence this clause is not applicable
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The company has no Fixed assets hence this clause is not applicable
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	The transmission line towers erected by the company on the farmers land are treated as immovable property based on the provisions of the Indian Telegraph Act, which permits public utility undertakings to erect such towers without acquiring the land by paying adequate tree/crop compensation by the company to the owners of the said property
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	There is no Inventory yet, thus no physical verification of inventory was conducted.
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest	Not Applicable
	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c)	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by	Not Applicable

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		the company for recovery of the principal and interest.	
(iv)		In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
(v)		in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal
(vi)		whether 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	Provisions related to Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company
(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 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 where dispute is pending shall be mentioned. (A mere	According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited.

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		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.	Since the company has no borrowings from any financial institution, bank, Government or dues to debenture holders
(ix)		Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Holding Company provided Inter corporate loan. We report that the amounts received were applied for the purposes for which they were received.
(x)		Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
(xi)		Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	The company has not provided for any Managerial Remuneration for the year 2018-2019. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company. Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company
(xii)		Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)		Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.
(xiv)		Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If	According to the information and explanations given to us, there is no such case.

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		not, provide the details in respect of the amount involved and nature of non-compliance;	
(xv)		*Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;*	*According to the information and explanations given to us, there is no such case.*
(xvi)		*Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.*	*The Co. is not required to be registered under section 45-IAof the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.*

For PARM & Associates LLP
Chartered Accountants

PARM AND ASSOCIATES LLP
FRN: 507094C
New Delhi
Chartered Accountants

(CA Rakesh Kumar Gupta)
Partner
M. No. 085967
FRN : 507094C

Place: New Delhi
Dated: 20/05/2019

Annexure-B

Report under Section 143(5) of Companies Act, 2013, in respect of Powergrid Jawaharpur Firozabad Transmission Limited ("The Company"), on the Annual Accounts for the year ended 31st March, 2019.

SPECIFIC AREAS EXAMINED DURING THE COURSE OF AUDIT OF ANNUAL ACCOUNTS OF POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED ("THE COMPANY") FOR THE YEAR ENDED 31ST MARCH 2019.

Sl. No.	Direction	Auditors' Report	Impact on Accounts and Financial Statements
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, the Company has system in place to process/record all the accounting transactions through IT system. No accounting transactions are being recorded / processed through other than IT System.	Nil.
2	Whether there is any restructuring of an 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.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us there were no restructuring of loans or cases of waiver/write off of debts/loans/interest etc. during the year.	Nil
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.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, no funds were received for any specific schemes from Central/State agencies during the year.	Nil.

Place: New Delhi
Dated: 20/05/2019

For PARM & Associates LLP,
Chartered Accountants

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FRN: 507094C
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(CA Rakesh Kumar Gupta)
Partner
Membership No. 085967
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ANNEXURE – C

As referred to in our Independent Auditors' Report to the members of the **Powergrid Jawaharpur Firozabad Transmission Limited ('the Company')**, on the standalone 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 March 31, 2019 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and 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

PARAM AND ASSOCIATES FRN: 507994C New Delhi Chartered Accountants 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 are 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."

Place: New Delhi
Date: 20/05/2019

For PARM & Associates LLP
Chartered Accountants

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New Delhi
Chartered Accountants

(CA Rakesh Kumar Gupta)
Partner
Membership No.: 085967
Firm Regn. No.: 507094C

Notes to Financial Statements

1. Corporate and General Information

Powergrid Jawaharpur Firozabad Transmission Limited ('the Company') is domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.

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

The financial statements of the company for the year ended March 31, 2019 were approved for issue by the Board of Directors on 20th May 2019.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

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

iii) Functional and presentation currency

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

iv) Use of estimates

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

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

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asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

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

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

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

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 criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

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

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

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servicing of property, plant and equipment are recognized in the Statement of Profit & Loss as incurred.

Derecognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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.

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

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

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

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

2.5 Depreciation / Amortization

Property, Plant & 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.

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.

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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 value, useful lives and method of depreciation for assets are reviewed at each financial year - 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.

Amortization 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 temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets

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.

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

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

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

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

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

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

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2.10 Leases

i) As a Lessor

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

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

a) **Finance leases**

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

b) **Operating leases**

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

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

ii) As a Lessee

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 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 Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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.

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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 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 recognized 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 recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities

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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 derecognized 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 recognized 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 financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

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(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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/(losses).

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

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

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income. In this case the tax is also recognized 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 or subsequently enacted at the end of the reporting period in the countries where the company operate and generate taxable income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the

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

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 realized, 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. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

2.14.1 Revenue from Operations

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

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

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2.14.2 **Other Income**

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

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

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

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

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.

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

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

2.18 Prior Period Items

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

2.19 Earnings per Share

Basic earnings per share is computed using the net profit 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

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potential equity shares outstanding during the year, except where the result would be anti-dilutive.
Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.20 Cash Flow Statement

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

3. Critical Estimates and Judgments

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

The areas involving critical estimates or judgments are:

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.

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.
The Company reviews at the end of each reporting date the useful plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

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 JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
CIN : U40100DL2018GOI337674
Balance Sheet as at 31st March,2019

(₹ in Lakh)

Particulars	Note No	As at 31st March,2019
ASSETS		
Non-Current Assets		
Capital Work in Progress	4	629.75
		629.75
Current Assets		
Financial Assets		
Cash & Cash equivalents	5	7.62
		7.62
Total Assets		**637.37**
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	6	5.00
Other Equity	7	(0.10)
		4.90
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	8	460.00
Current Liabilities		
Financial Liabilities		
Other current financial liabilities	9	157.87
Other current Liabilities	10	14.60
		172.47
Total Liabilities		**637.37**

The significant Accounting policies and Notes to Accounts (1 to 27) are an integral part of these financial statements

In terms of our Report of even date
For PARM & Associates LLP
Chartered Accountants
ICAI FRN : 507094C

PARM AND ASSOCIATES LLP FRN: 507094C New Delhi Chartered Accountants

Rakesh Kumar Gupta
Partner
Membership No.- 085967

Place: New Delhi
Date: 20.05.2019

For and on behalf of the Board

Rajeev Kumar Chauhan
Chairperson
DIN: 02018931

Md. Taj Mukarrum
Director
DIN: 08097837

Place: Gurugram
Date: 20.05.2019

POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
CIN : U40100DL2018GOI337674

Statement of Profit and Loss for the period from 20.08.2018 to 31.03.2019

(₹ in Lakh)

Particulars	Note No	For the period from 20.08.2018 to 31.03.2019
Income		
Revenue from operation		
Other income	11	-
Total Income		-
Expenses		
Finance cost	12	-
Other Expenses	13	0.10
		-
Total Expenses		**0.10**
Profit/(Loss) before Tax		**(0.10)**
Tax expenses		-
Profit/(Loss) for the period		**(0.10)**
Other Comprehansive Income		-
Total Comprehensive Income for the period		**(0.10)**
Earnings per Equity Share (Par Value ₹ 10 each)		
Basic (in ₹)		(0.20)
Diluted (in ₹)		(0.20)

The significant Accounting policies and Notes to Accounts (1 to 27) are an integral part of these financial statements

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POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
CIN : U40100DL2018GOI337674

Statement of Cash Flows for the period from 20.08.2018 to 31.03.2019

(₹ in Lakh)

Particulars	For the period from 20.08.2018 to 31.03.2019
A.CASH FLOW FROM OPERATING ACTIVITIES	
Profit/(Loss) before Tax	(0.10)
Operating Profit/(Loss) before working capital change	**(0.10)**
Adjustment for:	
Increase in other current financial liabilities	157.87
Increase in other current liabilities	14.60
Net Cash Flow (used in)/from operating activities (A)	**172.37**
B.CASH FLOW FROM INVESTING ACTIVITIES	
Capital work in progress (CWIP)	(629.75)
Net cash (used in)/from Investing activities (B)	**(629.75)**
C.CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Share Capital during the period	5.00
Long term Borrowing from POWERGRID	460.00
Net Cash Flow (used in)/from Financing Activities (C)	**465.00**
Net Increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)	**7.62**
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period (Note 5)	**7.62**

Note :
Cash and Cash equivalents consist of balances with banks.

The significant Accounting policies and Notes to Accounts (1 to 27) are an integral part of these financial statements.

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POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
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CIN : U40100DL2018GOI337674

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

A. Equity Share Capital (₹ in Lakh)

As on incorporation date (20.08.2018)	0.00
Changes in equity share capital	5.00
Balance at 31st March, 2019	5.00

B. Other Equity (₹ in Lakh)

Particulars	Reserves and Surplus
	Retained Earnings
As on incorporation date (20.08.2018)	-
Total Comprehensive Income for the period	(0.10)
Balance at 31st March, 2019	**(0.10)**

The significant Accounting policies and Notes to Accounts (1 to 27) are an integral part of these financial statements
Refer to Note No. 7 for nature and movement of reserve & surplus.

In terms of our Report of even date
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PARM AND ASSOCIATES LLP * Chartered Accountants * FRN: 507094C New Delhi

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Place: Gurugram
Date: 20.05.2019

POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
CIN : U40100DL2018GOI337674

Note 4/Capital Work in Progress

(₹ in Lakh)

Particulars	As at 20th August 2018	Additions during the period	Adjustments	Capitalised during the period	As at 31st March 2019
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 14)	-	629.75	-	-	629.75
Total	**-**	**629.75**	**-**	**-**	**629.75**

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POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
CIN : U40100DL2018GOI337674

Note 5/Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31st March 2019
Balance with Banks-	
In Current Accounts with scheduled banks	7.62
Total	**7.62**

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POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
CIN : U40100DL2018GOI337674

Note 6 - Equity Share Capital

(₹ in Lakh)

Particulars	As at 31st March 2019
Equity Share Capital **Authorised Share Capital** 50,000 Equity Shares of ₹ 10 each at par	**5.00**
Issued,Subscribed and Paid up capital 50,000 fully paid up Equity shares of ₹ 10/- each at par	**5.00**
Total	**5.00**

Further Notes :

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

Particulars	No. of Shares	(₹ in Lakh)
Shares Outstanding at the beginning of the Period	-	-
Add: Shares issued during the period	50,000.00	5.00
Shares Outstanding at the end of the year	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 the shareholders.

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

Particulars	As at 31st March 2019	
	No. of Shares	**% of holding**
Power Grid Corporation of India Limited #	50,000.00	100
TOTAL	**50,000.00**	**100**

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

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POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
(formerly JAWAHARPUR FIROZABAD TRANSMISSION LIMITED)
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Note 7/Other Equity

(₹ in Lakh)

Particulars	As at 31st March 2019
Retained Earnings	
Balance at the beginning of the period	-
Addition during the period	(0.10)
Balance at the end of the period	(0.10)
Total	**(0.10)**

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POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED
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Note 8/Borrowings

(₹ in Lakh)

Particulars	As at 31st March 2019
Term Loan From Others	
Rupee Loans (Unsecured)	
Loan from Power Grid Corporation of India Limited (Holding Company)	460.00
Total	**460.00**

Note:-
1) The Inter Corporate Loan is provided by holding company on cost to cost basis (interest rate 8.35%) on back to debt servicing basis. Repayable in 20 installments semi annually starting from 30.11.2023 TO 31.05.2033
2) There has been no default in repayment of Loan or payment of interest thereon during the year.

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CIN : U40100DL2018GOI337674

Note 9/Other Current Financial liabilities

(₹ in Lakh)

Particulars	As at 31st March 2019
Interest accrued but not due on borrowing from Power Grid Corporation of India Limited (Holding Company)	0.65
Others-Payable to Power Grid Corporation of India Limited (Holding Company)*	156.87
Audit Fee Payable	0.35
Total	**157.87**

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 17 (d)

There has been no default in repayment of Loan or payment of interest thereon during the year.

*Breakup of Related Parties is provided in Note 19

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Note 10/Other Current liabilities

(₹ in Lakh)

Particulars	As at 31st March 2019
Statutory Dues	14.60
Total	**14.60**

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Note 11/Other Income

(₹ in Lakh)

Particulars	For the year ended 31st March 2019
Sale of RFP documents	40.18
Less: Transferred to Expenditure during Construction (Net) - Note 14	40.18
Total	-

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Note 12/Finance Cost

(₹ in Lakh)

Particulars	For the year ended 31st March 2019
Interest and Finance charges on Financial Liabilities at amortised cost	
Interest on loan from Power Grid Corporation of India Limited (Holding Company)	0.73
Interest on loan from Rural Electrification Corporation	1.88
Total	**2.61**
Less: Transferred to Expenditure during Construction (Net) - Note 14	2.61
Total	-

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Note 13/Other Expenses

(₹ in Lakh)

Particulars	For the year ended 31st March 2019
Professional fees	530.18
UPERC Filling fees for adoption of transmission charges	25.00
Bank charges	15.96
Auditor Remuneration	
Audit Fee	0.30
Tax Audit Fee	-
Other Matters	0.30
GST	0.11
Miscellaneous expenditure	90.47
Liscence fees to UPERC	5.00
Preliminary Expense	0.10
Total	**667.42**
Less: Transferred to Expenditure during Construction (Net) - Note 14	667.32
Total	**0.10**

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CIN : U40100DL2018GOI337674

Note 14/Expenditure during Construction(Net)

(₹ in Lakh)

Particulars	For the year ended 31st March 2019
A. Finance Cost	
Interest & Finance charges as financial liabilities at amortised cost	
Interest on Loan from Power Grid Corporation of India Limited (Holding Company)	0.73
Interest on loan from REC	1.88
Total (A)	2.61
B. Other Expenses	
Professional fees	530.18
UPERC Filling fees	25.00
Bank charges	15.96
Auditor Remuneration	0.71
Miscellaneous expenditure	90.47
Liscence fees to UPERC	5.00
Total (B)	**667.32**
C. Less: Other Income	
Sale of RFP documents	40.18
Total (C)	40.18
Grand Total (A+B-C)	**629.75**

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Notes to Financial Statements

15.Party Balances and Confirmations

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

16.Auditors Remuneration

S. No.	Particulars	FY 2018-19 Amount (₹ in Lakh)
1	Statutory Audit Fees	0.30
2	Tax Audit	-
3	Other Matters	0.30
4	GST/Service Tax	0.11
	Total	**0.71**

17.Other Disclosures

a. Employee Benefits

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

b. Taxation

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws. In the current year, company does not have taxable profit and therefore no tax expences has been recognized.

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c. Borrowing cost

Borrowing cost capitalised during the year is ₹ 2.61 Lakh in the respective carrying amount of 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 and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

(₹ in Lakhs)

Sr. No	Particulars	Trade Payables		Others	
		31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	NA NA	Nil Nil	NA NA
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	NA	Nil	NA
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	NA	Nil	NA
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	NA	Nil	NA
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	NA	Nil	NA

e. Impact of application of Ind AS 115 Revenue from Contracts with Customers

The company has not commenced its business/operations and no revnue from contracts with customer has been booked for the financial year 2018-19. Hence there is no significant impact of IND AS 115 on financial position and/or financial performance of the company.

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18 . (i) Fair Value Measurements

(₹ In Lakh)

	31st March, 2019	
Financial Instruments by category	**FVOCI**	**Amortised cost**
Financial Assets Cash & cash Equivalents	-	7.62
Total Financial assets	-	**7.62**
Financial Liabilities Borrowings Other Current Financial Liabilities	-	460.00 157.87
Total financial liabilities	-	**617.87**

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
At 31st March 2019 **Financial Assets**		-	7.62	-	7.62
Total Financial Assets			7.62		7.62
Financial Liabilities Borrowings Other Financial Liabilities	-	-	460.66 157.87	-	460.66 157.87
Total financial liabilities	-	-	**618.54**	-	**618.54**

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

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

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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

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

(₹ in Lakh)

	31st March 2019	
	Carrying Amount	**Fair value**
Financial Assets	7.62	7.62
Total Financial Assets	**7.62**	**7.62**
Financial Liabilities Borrowings Other Financial Liabilities	 460.00 157.87	 460.66 157.87
Total financial liabilities	**617.87**	**618.54**

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

19. Related party Transactions

(a) Holding Company

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

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Limited		
RINL Powergrid TLT Private Limited ##	India	N.A
Power Transmission Company Nepal Ltd	Nepal	N.A

Powergrid Board of Directors in its meeting held on 16th Aug 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Vidyut Prasaran Nigam Pvt. Ltd. under fast track exit made of Registrar of Companies (ROC).

Powergrid Board of Directors in its meeting held on 1st May 2018 accorded approval for incalling procedure for winding up / removal of the name of RINL Powergrid TLT Private 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

Name	Designation	Date of Appointment
Shri R.K.Chauhan	Chairperson	21.12.2018 and continuing
Shri D. C. Joshi	Director	21.12.2018 and continuing
Shri M. Taj Mukarrum	Director	21.12.2018 and continuing
Shri R.K.Singh	Director	21.12.2018 and continuing

(e) Transactions with related parties

The following transactions occurred with related parties:

Sl no	Particulars	As on 31.03.2019 (₹ in Lakh)
1.	Services received from REC Transmission Projects Company Limted*(Incl taxes)	358.79
2.	Interest Expense paid to REC Transmission Projects Company Limted*	1.88
3.	Reimbursement of expenses(Incl taxes) paid to REC Transmission Projects Company Limted*	95.75
4.	Services received from Power Grid Corporation of India Ltd.(Holding Company) (Excluding taxes)	145.25
5.	Interest Expense on Loan from Power Grid Corporation of India Ltd.(Holding Company)	0.73

*100% Shares were acquired by Power Grid Corporation of India Limited from REC Transmission Projects Company Limited on 21.12.2018 and therefore REC Transmission Projects Company Limited Ceased to be Holding Company w.e.f. 21.12.2018

(f) Equity Share Capital

Sl no	Particulars	As on 31.03.2019 (₹ in Lakh)
1.	Power Grid Corporation Of India Limited (Holding Company)	**5.00**

(g) Loans to/from related parties

Sl no	Particulars	As on 31.03.2019 (₹ in Lakh)
1.	Power Grid Corporation Of India Limited	460.00

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(h) Interest accrued on Loan

Sl no	Particulars	As on 31.03.2019 (₹ in Lakh)
1.	Power Grid Corporation Of India Limited (Holding Company)(excluding taxes)	0.65

(i) Outstanding balances arising from Sales/Purchase of Goods and services.

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

Sl no	Particulars	As on 31.03.2019 (₹ in Lakh)
1.	Power Grid Corporation Of India Limited (Holding Company) (excluding taxes)	156.87

20. Segment Information

Business Segment

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

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

21. Capital and other Commitments

(₹ in Lakh)

Particulars	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	32,276.32

22. Contingent Liabilities and Contingent Assets

Contingent Liabilities

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

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

Disputed Tax Matters amounting to ₹ NIL

(ii) Others

Other contingent liabilities amounts to ₹ NIL

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23. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019.

b) Debt Equity Ratio

(₹ in lakh)

Particulars	31 March 2019
Debt	460.00
Equity	4.90
Debt Equity Ratio	98.95:1.05

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019.

24. Earnings per share

(Amount in ₹/Share)

(a)Basic and diluted earnings per share attributable to the equity holders of the company	**31st March, 2019**
From Continuing Operations including movement in Regulatory Deferral Balances	**(0.20)**
From Continuing Operations excluding movement in Regulatory Deferral Balances	**(0.20)**
Total basic diluted earnings per share attributable to the equity holders of the company	**(0.20)**

(₹ in Lakh)

(b) Reconciliation of earnings used in denominator for calculating earnings per share	**31st March, 2019**

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Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Balances	(0.10)
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Balances	(0.10)
Total Earnings attributable to the equity holders of the company	(0.10)

(c) Weighted average number of shares used as the denominator	31st March, 2019 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000
Adjustments for calculation of diluted earnings per share	Nil
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	50000

25. Financial Risk Management:

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

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

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

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

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

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

A) Credit Risk

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

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

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

(i) Trade Receivables

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

(ii) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 7.62 Lakh (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 Lakh)

Particulars	31st March, 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	7.62
Total	**7.62**

- **Provision for expected credit losses**

(₹ in Lakh)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due
Gross carrying amount as on 31st March, 2019	-	-	-	-	-	-

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B) Liquidity risk

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

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

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

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.
The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in Lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31 March 2019				
Borrowings including interest thereof	0.73	157.93	924.61	1083.27
Other Current financial liabilities	157.22			157.22
Total	**157.95**	**157.93**	**924.61**	**1240.49**

C) Market Risk

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

i. Currency risk
ii. Interest rate risk

i) Currency risk

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

ii) **Interest rate risk**

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

26. **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.

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

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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.

27. Previous year figures have been regrouped/rearranged wherever considered neccessary.

For PARM & Associates LLP
ICAI FRN : 0507094C
Chartered Accountants

For and on behalf of
POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LTD.

PARM AND ASSOCIATES LLP
FRN: 507094C
New Delhi
Chartered Accountants

Rakesh Kumar Gupta	**Rajeev Kumar Chauhan**	**Md. Taj Mukarrum**
Partner	Chairperson	Director
Membership No. 085967	DIN: 02018931	DIN: 08097837

Place: New Delhi

Date: 20.05.2019

Place: Gurugram

Date: 20.05.2019