



CA. PRAVIN G. PATEL
M.COM., L.L.B., F.C.A., DISA

CA. MIHIR P. PATEL
B.COM., A.C.A

P. G. Patel & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of M/s POWERGRID Jabalpur Transmission Limited

Report on the Ind-AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID Jabalpur Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to financial statement including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles generally accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March, 2020, and its Profit (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Page 1 of 4

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Emphasis of Matter

We draw attention to Note No. 3 to the financial results, which describes the uncertainties and the impact of COVID 19 on carrying value of trade receivables, unbilled revenue and investments as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Management's Responsibility for the Ind AS Financial Statements

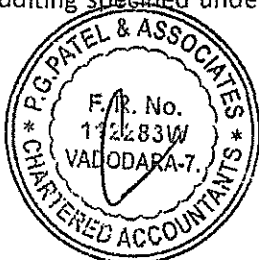
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the Financial Position, Financial Performance including other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

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

Auditors' Responsibility

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with



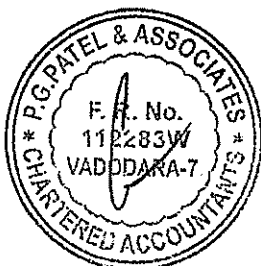
ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
- e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
- 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:
- The Company does not have any pending litigations which would impact its Financial Position;
 - The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s P.G. Patel & Associates,
Chartered Accountants
Firm Regn.No-112283W

Signature:-

CA P.G. Patel
Partner

Mem. No. 035533

Dated: - 01.06.2020

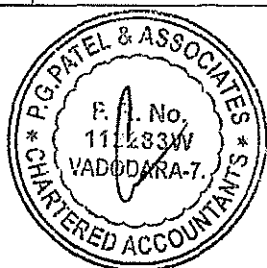
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UDIN: 20035533AAAAABE8135

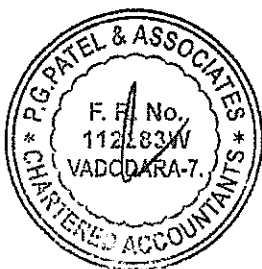


As referred to in our Independent Auditors' Report to the members of the M/s POWERGRID Jabalpur Transmission Limited ('the Company'), on the Financial Statements for the year ended 31st March, 2020, we report that:

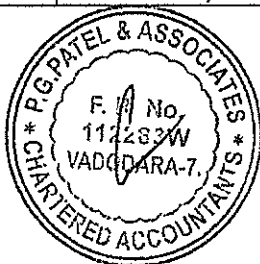
		Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Physical verification of Fixed Assets was conducted for the year and no discrepancies were noticed on such verification.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	The transmission line towers erected by the company on the farmers land are treated as immovable property based on the provisions of the Indian Telegraph Act, which permits public utility undertakings to erect such towers without acquiring the land by paying adequate tree/crop compensation by the company to the owners of the said property.
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Physical verification of Inventory was conducted for the year and no discrepancies were noticed on such verification.
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The Company has not granted any Loans to any parties Covered under section 189 of the Companies Act, 2013.
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable



	(c)	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable
	(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
	(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
	(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	Required Cost Records specified by Central Government u/s 148(1) of the Companies Act, 2013 have been maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
	(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	According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Goods and Services tax (GST), Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 st March, 2020 for a period of more than six months from the date they became payable.



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



		Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	
(xiii)		Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.
(xiv)		Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)		Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	Based on our audit Procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)		Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

For M/s P.G. Patel & Associates,
Chartered Accountants
Firm Regn.No-112283W



Signature:-
CA P.G. Patel
Partner

Mem. No. 035533

Dated: - 01.06.2020

Place: - Vadodara

UDIN: 20035533AAAAABE8135

As referred to in our Independent Auditors' Report to the Members of the M/s POWERGRID Jabalpur Transmission Limited ('The Company'), on the Financial Statements for the Year Ended 31st March, 2020, we Report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded /processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regards.	NIL
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There are no cases of restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc.	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.	No fund has been received from Central/State agencies.	NIL

For M/s P.G. Patel & Associates,
Chartered Accountants
Firm Regn.No-112283W

Signature:-

CA P.G. Patel

Partner

Mem. No. 035533

Dated: - 01.06.2020

Place: - Vadodara

UDIN: 20035533AAAAABE8135



As referred to in our Independent Auditors’ Report to the members of the M/s POWERGRID Jabalpur Transmission Limited (“the Company”), on the Financial Statements for the year ended 31st March, 2020.

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

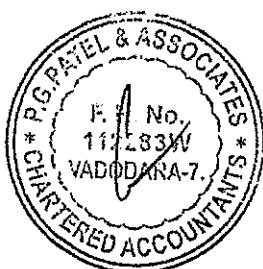
We have audited the Internal Financial Controls over Financial Reporting of the company as at 31st March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining Internal Financial Control based on “the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of its assets, the Prevention and Detection of Frauds and Errors, the accuracy and completeness of the Accounting Records, and the Timely Preparation of Reliable Financial Information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and



plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

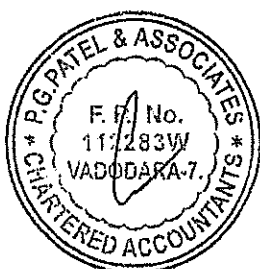
Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2020, based on "the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For M/s P.G. Patel & Associates,
Chartered Accountants
Firm Regn.No-112283W

Signature:-
CA P.G. Patel
Partner

Mem. No. 035533
Dated: - 01.06.2020
Place: - Vadodara
UDIN: 20035533AAAABE8135



Notes to Financial Statements

1. Corporate and General Information

Powergrid Jabalpur Transmission Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of Companies Act and a 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, India.

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

The financial statements of the company for the year ended March 31, 2020 were approved for issue by the Board of Directors on 01st June, 2020.

2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

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

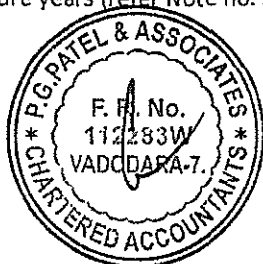
The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note no. 2.11 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

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

iv) Use of estimates

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



v) Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

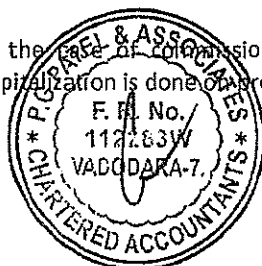
Initial Recognition and Measurement

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

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

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

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



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

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

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

Derecognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

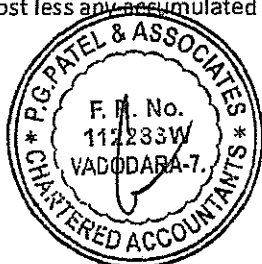
Expenditure of office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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 amortisation and accumulated impairment losses.



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

Derecognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

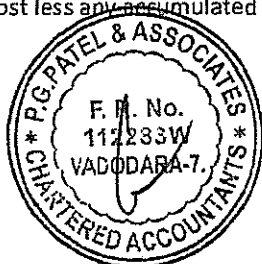
Expenditure of office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

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 amortisation and accumulated impairment losses.



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

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

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

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

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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the items of property, plant and equipment related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for property, plant and equipment specified in the following paragraphs.

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

Depreciation on following items of property, plant and equipment 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

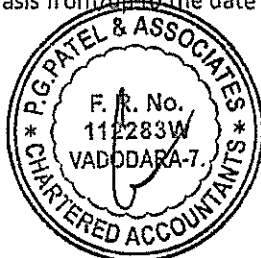
Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

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

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



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

Right of Use Assets:

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

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.

Intangible Assets

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

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

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

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

2.6 Borrowing Costs

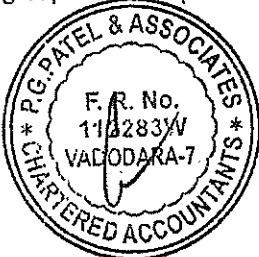
Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7 Impairment of non-financial assets

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

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



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

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

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

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

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

2.10 Leases

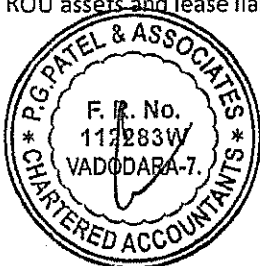
Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessee

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) As a Lessor

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.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

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.

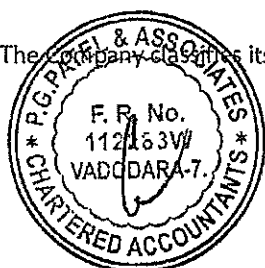
2.11 Financial instruments

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

Financial Assets

Classification

The Company classifies its financial assets in the following categories:



- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

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

Initial recognition and measurement

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

Subsequent measurement

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

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).

De-recognition of financial assets

A financial asset is derecognized only when

The rights to receive cash flows from the asset have expired, or

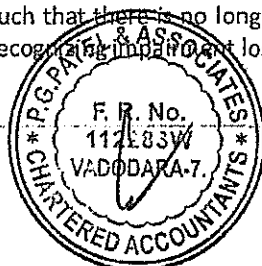
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the statement of Profit and Loss.

Impairment of financial assets:

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (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 recognising 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 unfavourable to the Company.

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

De-recognition of financial liability

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

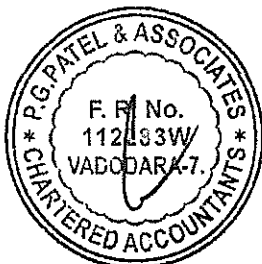
Offsetting of financial instruments

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

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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



(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of 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. Exchange differences arising from foreign currency translation are recognized in the Statement of Profit and Loss.

2.13 Income Tax

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

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the country where the company operates and generates taxable income.

Deferred tax

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

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

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.

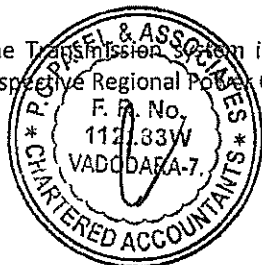
2.14 Revenue

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.

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. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

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



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

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

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

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

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

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the items of property, plant and equipment related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff except for property, plant and equipment specified in the following paragraphs.

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

Depreciation on following items of property, plant and equipment 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

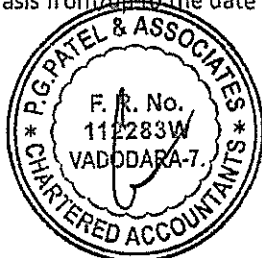
Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

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

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



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

Right of Use Assets:

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

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.

Intangible Assets

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

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

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

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

2.6 Borrowing Costs

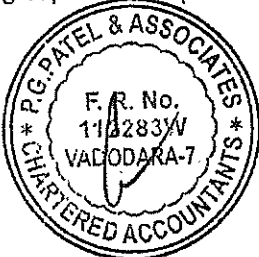
Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7 Impairment of non-financial assets

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

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



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

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

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

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

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

2.10 Leases

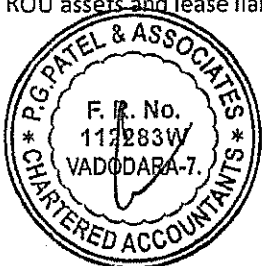
Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessee

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) As a Lessor

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.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

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.

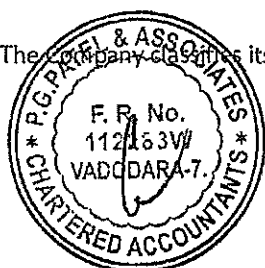
2.11 Financial instruments

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

Financial Assets

Classification

The Company classifies its financial assets in the following categories:



- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

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

Initial recognition and measurement

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

Subsequent measurement

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

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).

De-recognition of financial assets

A financial asset is derecognized only when

The rights to receive cash flows from the asset have expired, or

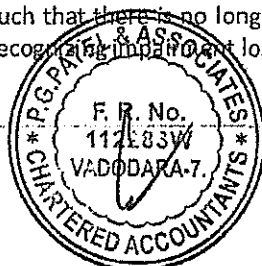
- The company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the statement of Profit and Loss.

Impairment of financial assets:

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (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 recognising 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 unfavourable to the Company.

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

De-recognition of financial liability

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

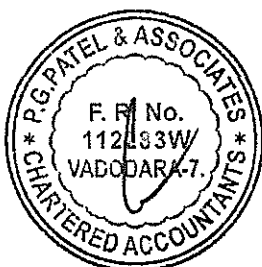
Offsetting of financial instruments

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

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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



(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of 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. Exchange differences arising from foreign currency translation are recognized in the Statement of Profit and Loss.

2.13 Income Tax

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

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the country where the company operates and generates taxable income.

Deferred tax

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

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

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.

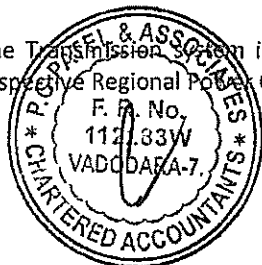
2.14 Revenue

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.

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. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

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. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any, is accounted on certification by RPCs.

2.14.2 Other Income

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

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

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

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

2.16 Provisions and Contingencies

a) Provisions

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

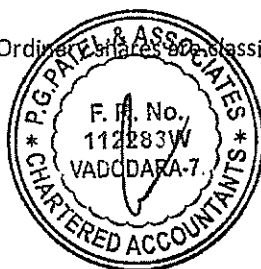
b) Contingencies

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

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.



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

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

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

2.20 Statement of Cash Flows

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

3. Critical Estimates and Judgments

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

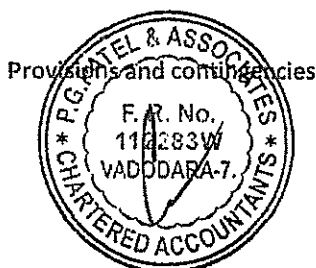
This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

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

The Company reviews at the end of each reporting date the useful life of plant and equipment and are adjusted prospectively, if appropriate.

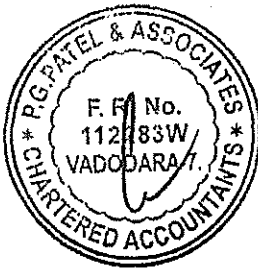


The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of 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.

Estimation of uncertainties relating to the global health pandemic from COVID-19

In assessing the recoverability of trade receivables, unbilled revenue and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the company's revenue is based on CERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.



Powergrid Jabalpur Transmission Limited

CIN: U40300DL2014GOI270433

Balance Sheet As at 31st March,2020

(₹ in Lakh)

Particulars	Note No	As at 31st March,2020	As at 31st March,2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	135,819.70	138,926.83
(b) Capital work-in-progress	5	-	806.13
(c) Other Intangible assets	6	6,326.43	6,684.00
(d) Intangible assets under development	7	-	-
(e) Other non-current assets	8	89.30	379.91
		142,235.43	146,796.87
Current assets			
(a) Inventories	9	977.41	-
(b) Financial Assets			
(i) Trade receivables	10	3,172.91	2,362.49
(ii) Cash and cash equivalents	11	88.69	7.52
(iii) Other current financial assets	12	2,535.51	2,075.76
(c) Other current assets	13	1.55	1.55
		6,776.07	4,447.32
Total Assets		149,011.50	151,244.19
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	21,715.00	17,315.00
(b) Other Equity	15	2,476.16	1,014.16
		24,191.16	18,329.16
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	114,105.60	128,958.27
(b) Deferred tax liabilities (Net)	17	906.50	108.04
		115,012.10	129,066.31
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total o/s dues of micro enterprises & small enterprises		-	-
(b) Total o/s dues of creditors other than micro enterprises & small enterprises	18	-	1.65
(ii) Other current financial liability	19	9,772.00	3,197.73
(b) Other current liabilities	20	17.26	341.00
(c) Provisions	21	4.74	-
(d) Current Tax Liabilities (Net)	22	14.24	308.34
		9,808.24	3,848.72
Total Equity and Liabilities		149,011.50	151,244.19

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For M/S P.G. Patel & Associates.
Chartered Accountants
ICAI Firm Registration No. 112283W
CA P.G. Patel
Partner
Membership No. 035533
Place: Vadodara
Date: 01/06/2020
UDIN: 20035533AAAABE8135



For and on behalf of the Board of Directors:

[Signature]
Seema Gupta
Chairperson
DIN: 06636330
Place: Vadodara
Date: 01/06/2020
[Signature]
Ch. S. Satapathy
(Chief Financial Officer)
Place: Vadodara
Date: 01/06/2020

[Signature]
V. Susheela Devi
Director
DIN: 07828528
Place: Hyderabad
Date: 01/06/2020

Powergrid Jabalpur Transmission Ltd.
CIN: U40300DL2014GOI270433
Statement of Profit and Loss for the year ended 31st March,2020

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31st March,2020	For the year ended 31st March,2019
I	Revenue From Operations	23	25,057.12	6,104.81
II	Other Income	24	198.68	0.01
III	Total Income (I+II)		25,255.80	6,104.82
IV	EXPENSES			
	Finance costs	25	10,161.64	2,503.94
	Depreciation and amortization expense	26	8,031.69	1,920.95
	Other expenses	27	231.45	249.06
	Total expenses (IV)		18,424.78	4,673.95
V	Profit/(loss) before tax(III-IV)		6,831.02	1,430.87
	Tax expense:			
VI	(1) Current tax	28	1,193.52	308.34
	(2) Deferred tax		798.46	108.04
VII	Profit/(loss) for the year (V-VI)		4,839.04	1,014.50
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the year (VII+VIII)		4,839.04	1,014.50
X	Earnings per equity share		-	-
	(1) Basic (Par value of ₹ 10 each)		2.57	2.80
	(2) Diluted (Par value of ₹ 10 each)		2.57	2.80

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For M/S P.G.Patel & Associates.
Chartered Accountants
ICAI Firm Registration No. 112283W

CA P.G. Patel
Partner
Membership No. : 035533
Place: Vadodara
Date: 01/06/2020
UDIN: 20035533AAAABE8135



For and on behalf of the Board of Directors

Seema Gupta
Chairperson
DIN:06636330

Place - Gurgaon
Date - 01/06/20

(Chief Financial Officer)

Place : Vadodara
Date - 01/06/2020

Susheela Devi
Director
DIN: 07828528

Place : Hyderabad
Date : 01/06/2020

Powergrid Jabalpur Transmission Ltd.
CIN: U40300DL2014GOI270433
Statement of Cash Flow for the year ended 31st March,2020

Particulars	For the year ended	
	31st March,2020	31st March, 2019
(A) Cash Flow from Operating Activities:		
Net Profit before tax	6,831.02	1,430.87
Adjustment for:-		
Depreciation	8,031.69	1,920.95
Finance Cost	10,161.64	2,503.94
Operating Profit before working capital change	25,024.35	5,855.76
A. Adjustments for :-		
Increase/(Decrease) in Other Current Liabilities	(319.00)	(53.73)
Increase/(Decrease) in Other current financial liability	48.25	(17,657.52)
(Increase)/Decrease in Other current Assets	(2,247.58)	(4,423.97)
Income Tax paid	(1,207.53)	(369.39)
Net Cash Flow from Operating Activities	(3,725.86)	(22,504.61)
(B) Cash Flow from Investing Activities:		
- Property Plant & Equipment & Capital Work in Progress	(3,750.33)	(30,401.20)
Net Cash used in Investing Activities	(3,750.33)	(30,401.20)
(C) Cash Flow from Financing Activities:		
- Share Capital raised during the year	4,400.00	17,300.00
- Loans raised during the year	-	32,257.88
- Loans repaid during the year	(6,802.49)	-
- Interest Paid During the year	(11,687.45)	(2,503.94)
- Interim Dividend Paid During the year	(2,801.24)	-
- Dividend Tax Paid During the year	(575.80)	-
Net Cash from Financing Activities	(17,456.98)	47,053.94
(D) Net change in Cash & Cash equivalents(A+B+C)	81.18	3.89
(E) Cash and Cash Equivalents at the beginning of the year	7.52	3.63
(F) Cash and Cash Equivalents at the end of the year (Refer Note 11)	88.70	7.52

Note:

- 1.Cash & Cash Equivalents consists of Balance with banks.
- 2.Previous year figures have been re-grouped/ re-arranged wherever necessary
- 3.The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For M/S P.G.Patel & Associates.
Chartered Accountants
ICAI Firm Registration No. 112283W

C.A. P.G. Patel
Partner
Membership No. : 035533
Place: Vadodara
Date: 01/06/2020
UDIN: 20035533AAAAE8135



For and on behalf of the Board of Directors

[Signature]
Seema Gupta
Chairperson
DIN:06636330
Place: Vadodara
Date: 01/06/20
Chief Financial Officer

[Signature]
Susheela Devi
Director
DIN: 07828528
Place: Hyderabad
Date: 01/06/20

Powergrid Jabalpur Transmission Ltd.

CIN: U40300DL2014GOI270433

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	Amount (₹ in Lakh)
As at 1st April, 2019	17,315.00
Changes in equity share capital	4,400.00
As at 31st March, 2020	21,715.00
As at 1st April, 2018	15.00
Changes in equity share capital	17,300.00
As at 31st March, 2019	17,315.00

B. Other Equity

(₹ in Lakh)

Particulars	Share Application money pending allotment	Reserves and Surplus		Total
		Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2019	-	177.04	837.12	1,014.16
Addition during the year	4,400.00	-	-	4,400.00
Deduction during the year	(4,400.00)	-	-	(4,400.00)
Interim Dividend for F.Y. 2019-20	-	-	(2,801.24)	(2,801.24)
Dividend Tax for F.Y. 2019-20	-	-	(575.80)	(575.80)
Total Comprehensive Income for the year	-	-	4,839.04	4,839.04
Transfer to self insurance Reserve	-	174.39	(174.39)	-
Balance at 31st March, 2020	-	351.43	2,124.73	2,476.16
Balance at 1st April, 2018	-	-	(0.33)	(0.33)
Addition during the year	17,300.00	-	-	17,300.00
Deduction during the year	(17,300.00)	-	-	(17,300.00)
Total Comprehensive Income for the year	-	-	1,014.50	1,014.50
Transfer to self insurance Reserve	-	177.04	(177.04)	-
Balance at 31st March, 2019	-	177.04	837.12	1,014.16

Refer to Note No. 15 for Nature & movement of Reserve & Surplus

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For M/S P.G. Patel & Associates.
Chartered Accountants
ICAI Firm Registration No. 112283W

CA P.G. Patel
Partner
Membership No. 035533
Place: Vadodara
Date: 01/06/2020
UDIN: 20035533AAAABE8135



Seema Gupta
Chairperson

DIN: 06636330
Place: Vadodara
Date: 01/06/20
Date: 01/06/20

(Chief Financial Officer)

V. Susheela Devi
Director

DIN: 07828528
Place: Hyderabad
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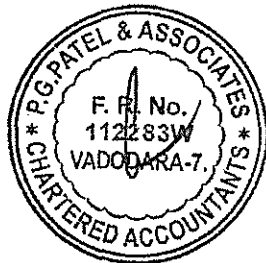
Powergrid Jabalpur Transmission Ltd.
Note 4/Property, Plant and Equipment

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April,2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2020	As at 1st April,2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2020	As at 31st March,2020	As at 31st March,2019
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Transmission	140,754.39	4,566.99	-	-	145,321.38	1,832.51	7,672.97	-	-	9,505.48	135,815.90	138,921.88
Furniture Fixtures	1.81	-	-	-	1.81	0.20	0.12	-	-	0.32	1.49	1.61
Office equipment	1.24	-	-	-	1.24	0.06	0.08	-	-	0.14	1.10	1.18
Electronic Data Processing & Word Processing Machines	2.86	-	-	-	2.86	0.70	0.95	-	-	1.65	1.21	2.16
Total	140,760.30	4,566.99	-	-	145,327.29	1,833.47	7,674.12	-	-	9,507.59	135,819.70	138,926.83
Grand Total	140,760.30	4,566.99	-	-	145,327.29	1,833.47	7,674.12	-	-	9,507.59	135,819.70	138,926.83

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April,2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2019	As at 1st April,2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2019	As at 31st March,2019	As at 31st March,2018
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Transmission	-	140,754.39	-	-	140,754.39	-	1,832.51	-	-	1,832.51	138,921.88	-
Furniture Fixtures	1.81	-	-	-	1.81	0.09	0.11	-	-	0.20	1.61	1.72
Office equipment	0.84	0.40	-	-	1.24	-	0.06	-	-	0.06	1.18	0.84
Processing Machines	1.04	1.82	-	-	2.86	0.20	0.50	-	-	0.70	2.16	0.85
Total	3.69	140,756.61	-	-	140,760.30	0.29	1,833.18	-	-	1,833.47	138,926.83	3.40
Grand Total	3.69	140,756.61	-	-	140,760.30	0.29	1,833.18	-	-	1,833.47	138,926.83	3.40



Powergrid Jabalpur Transmission Ltd.
Note 5/Capital work in progress

(₹ in Lakh)

Particulars	As at 1st April,2019	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2020
Plant & Equipments (including associated civil works)					
Transmission	-	6,354.54	1,787.55	4,566.99	-
Construction Stores	806.13	162.00	968.13	-	-
Grand Total	806.13	6,516.54	2,755.68	4,566.99	-

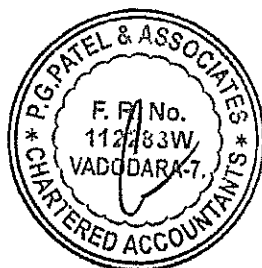
(₹ in Lakh)

Particulars	As at 1st April,2018	Additions during the year	Adjustments	Capitalised during the year	As at 31st March,2019
Plant & Equipments (including associated civil works)					
Transmission	70,018.27	50,255.26		120,273.53	-
Expenditure during construction (net)	11,170.04	9,222.49	(88.33)	20,480.86	-
Construction Stores	35,634.06	-	34,827.93	-	806.13
Grand Total	116,822.37	59,477.75	34,739.60	140,754.39	806.13

Powergrid Jabalpur Transmission Ltd.
Note 5/Capital work in progress (Details of Construction stores)

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Construction Stores		
Towers	-	304.67
Conductors	-	253.19
Other Line Materials	-	248.18
Sub-Station Equipments	-	0.09
Unified Load Despatch & Communication(ULDC) Materials	-	-
TOTAL	-	806.13
Material with Contractors		
Towers	-	304.67
Conductors	-	253.19
Other Line Materials	-	248.18
Sub-Station Equipments	-	0.09
Unified Load Despatch & Communication(ULDC) Materials	-	-
Total	-	806.13
Grand total	-	806.13



Powergrid Jabalpur Transmission Ltd.
Note 6/Other Intangible assets

(₹ in Lakh)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April,2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2020	As at 1st April,2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2020	As at 31st March,2020	As at 31st March,2019
Right of Way-Afforestation Expenses	6,772.17	-	-	-	6,772.17	88.17	357.57	-	-	445.74	6,326.43	6,684.00
Total	6,772.17	-	-	-	6,772.17	88.17	357.57	-	-	445.74	6,326.43	6,684.00

(₹ in Lakh)

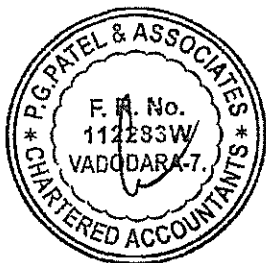
Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April,2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2019	As at 1st April,2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2019	As at 31st March,2019	As at 31st March,2018
Right of Way-Afforestation Expenses	-	6,772.17	-	-	6,772.17	-	88.17	-	-	88.17	6,684.00	-
Total	-	6,772.17	-	-	6,772.17	-	88.17	-	-	88.17	6,684.00	-



Powergrid Jabalpur Transmission Ltd.
Note 7/Intangible assets under development

(₹ in Lakh)						
Particulars	As At 1st April 2019	Additions	Adjustments	Capitalised during the year	As at 31st March, 2020	As at 31st March, 2019
Right of Way-Afforestation expenses	-	-	-	-	-	-
Total	-	-	-	-	-	-

(₹ in Lakh)						
Particulars	As At 1st April 2018	Additions	Adjustments	Capitalised during the year	As at 31st March, 2019	As at 31st March, 2018
Right of Way-Afforestation expenses	-	6,772.17	-	6,772.17	-	-
Total	-	6,772.17	-	6,772.17	-	-

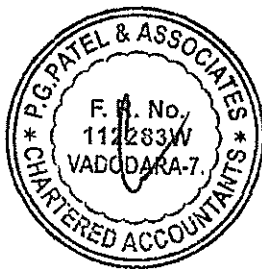


Powergrid Jabalpur Transmission Ltd.**Note 8/Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

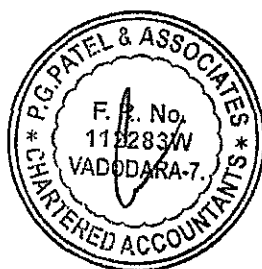
Particulars	As at 31st March,2020	As at 31st March,2019
A) Advances for Capital Expenditure		
Unsecured		
Against bank guarantees	-	10.52
B) Advances other than for Capital Expenditure		
Advance tax and Tax deducted at source	1,576.92	369.39
Less: Provision for taxation (Refer Note 22)	(1,487.62)	
	89.30	369.39
TOTAL	89.30	379.91



Powergrid Jabalpur Transmission Ltd.
Note 9/Inventories

(₹ in Lakh)		
Particulars	As at 31st March,2020	As at 31st March,2019
Components, Spares & other spare parts*	977.41	-
TOTAL	977.41	-

*For mode of valuation refer note 2.9

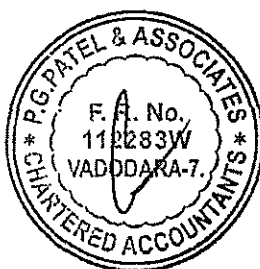


Powergrid Jabalpur Transmission Ltd.
Note 10/Trade receivables

Particulars	(₹ in Lakh)	
	As at 31st March,2020	As at 31st March,2019
Trade receivables		
Unsecured Considered good	3,172.91	2,362.49
TOTAL	3,172.91	2,362.49

1. Disclosure with regard to debtor's ageing is under Note no.39.

2. Refer note 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

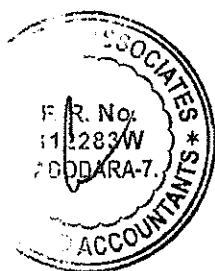


Powergrid Jabalpur Transmission Ltd.

Note 11/Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Balance with banks-		
-In Current accounts	88.69	7.52
Total	88.69	7.52



Powergrid Jabalpur Transmission Ltd.
Note 12/Other Current Financial Assets

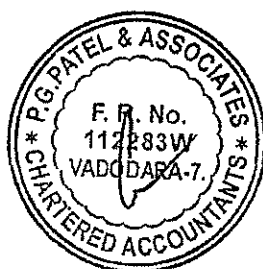
(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Unbilled Revenue	2,535.51	2,058.83
Others	-	16.93
Total	2,535.51	2,075.76

1. Unbilled Revenue includes Transmission Charges for the month of March 2020 in the Financial Year amounting to ₹ 2281.84 Lakh(Net of rebate) (Previous Year ₹ 1941.25) billed to beneficiaries in the month of April of the next financial year, Transmission Incentive for January 2020 to March 2020 of ₹ 253.67 Lakh(Previous Year ₹ 117.58) to be billed in the month of April of the next financial year.

2. Refer note 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".



Powergrid Jabalpur Transmission Ltd.

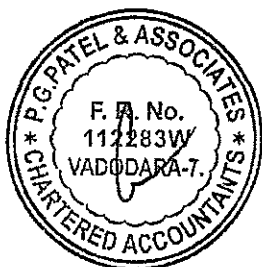
Note 13/Other current Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Balance with Authorities*	1.55	1.55
Total	1.55	1.55

*Balance with authorities includes ₹ 1,50,000 with CDSL and
₹ 5000 with VAT department.



Powergrid Jabalpur Transmission Ltd.

Note 14/Equity Share capital

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Equity Share Capital		
Authorised		
300,000,000 (31st March 2019 300,000,000) equity shares of ₹10/- each at par	30,000.00	30,000.00
Issued, subscribed and paid up		
217,150,000 (31st March 2019 173,150,000) equity shares of ₹10/-each at par fully paid up	21,715.00	17,315.00
Total	21,715.00	17,315.00

Further Notes:

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

Particulars	For the year ended 31st March,2020		For the year ended 31st March, 2019	
	No.of Shares	(₹ in Lakh)	No.of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the year	173,150,000	17,315.00	150,000	15.00
Shares Issued during the year	44,000,000	4,400.00	173,000,000	17,300.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	217,150,000	21,715.00	173,150,000	17,315.00

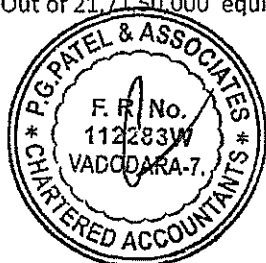
2) The Company has only one class of equity shares having a par value of ₹ 10/- per share.

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,2020		As at 31st March,2019	
	No.of Shares	% of holding	No.of Shares	% of holding
Power Grid Corporation of India Limited(Holding Company)*	217,150,000	100%	173,150,000	100%

*Out of 21,71,50,000 equity shares (Previous year 17,31,50,000 equity shares) 6 equity shares are held by Nominees of M/s Powergrid Corporation of India Ltd on its behalf.



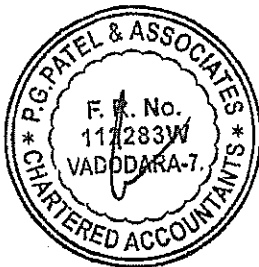
Powergrid Jabalpur Transmission Ltd.
Note 15/Other Equity

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Reserves and Surplus		
(i) Share application pending allotment		
Balance at the Beginning of the year	-	-
Addition during the year	4,400.00	17,300.00
Deduction During the year	(4,400.00)	(17,300.00)
Balance at the end of the year	-	-
(ii) Self Insurance Reserve		
Balance at the Beginning of the year	177.04	-
Addition during the year	174.39	177.04
Deduction During the year	-	-
Balance at the end of the year	351.43	177.04
(iii) Retained Earnings		
Balance at the Beginning of the Year	837.12	(0.33)
Addition during the year:		
Net Profit for the year	4839.04	1014.50
Deduction During the year:		
Transfer To Self Insurance Reserve	(174.39)	(177.04)
Interim dividend	(2801.24)	-
Tax on Dividend	(575.80)	-
Balance at the end of the year	2,124.73	837.12
TOTAL	2,476.16	1,014.16

Nature and purpose of reserves

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'.



Powergrid Jabalpur Transmission Ltd.

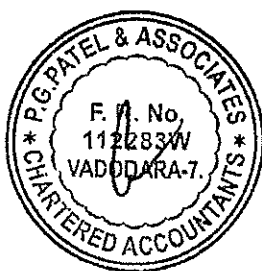
Note 16/ Borrowings

Particulars	(₹ in Lakh)	
	As at 31st	As at 31st
	March,2020	March,2019
Unsecured Loan from Power Grid Corporation of India Ltd(Holding Co.)	114,105.60	128,958.27
Total	114,105.60	128,958.27

1.The Inter Corporate Loan is provided by the Holding Company on cost to cost basis at the interest rate of 8.02% repayable over a period of 30 to 35 years.

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

3.Disclosure with regard to related party is under Note no.33.



Powergrid Jabalpur Transmission Ltd.
Note 17/ Deferred tax liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Deferred Tax Liability		
Difference between book depreciation and tax depreciation(Net) (A)	14,250.27	6,958.87
Deferred Tax Liability(A)	14,250.27	6,958.87
Deferred Tax Assets		
Unused Tax Losses(Income Tax Losses)	11,841.86	6,542.41
Preliminary Expenses	0.06	0.08
MAT Credit Entitlement	1,501.85	308.34
Deferred Tax Assets (B)	13,343.77	6,850.83
Deferred Tax Liability (Net) (A-B)	906.50	108.04

Movements in deferred tax liabilities

(₹ in Lakh)

Particulars	Property, plant and equipment	Total
At 1 April 2018		
Charged/(credited)		
- to profit or loss	6,958.87	6,958.87
- to other comprehensive income		
At 31 March 2019	6,958.87	6,958.87
Charged/(credited)		
- to profit or loss	7,291.40	7,291.40
- to other comprehensive income		
At 31st March,2020	14,250.27	14,250.27

Movement in deferred tax assets

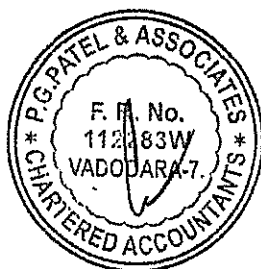
(₹ in Lakh)

Particulars	Unused Tax Losses	MAT Credit	Others	Total
At 1 April 2018				
(Charged)/credited:				
- to profit or loss	6,542.41	308.34	0.08	6,850.83
- to other comprehensive income				
At 31 March 2019	6,542.41	308.34	0.08	6,850.83
(Charged)/credited:				
- to profit or loss	5,299.45	1,193.51	(0.02)	6,492.94
- to other comprehensive income				
At 31st March,2020	11,841.86	1,501.85	0.06	13,343.77

Amount taken to Statement of Profit and Loss

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March 2019
Increase in Deferred Tax Liabilities	14,250.27	6,958.87
Increase in Deferred Tax Assets	13,343.77	6,850.83
Net Amount taken to Statement of Profit and Loss	906.50	108.04



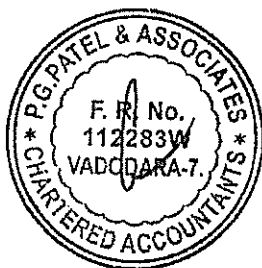
Powergrid Jabalpur Transmission Ltd.
Note 18/Trade payables

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Financial liabilities		
For goods and services		
(a) Total o/s dues of micro enterprises & small enterprises		
(b) Total o/s dues of creditor other than micro enterprises & small enterprises	-	1.65
Total	-	1.65

Further Notes:

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



Powergrid Jabalpur Transmission Ltd.
Note 19/Other Current Financial Liability

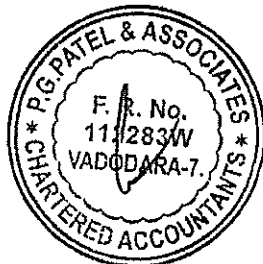
(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
A) Current maturities of long term borrowings		
Unsecured Loan from Power Grid Corporation of India Ltd(Holding Co.)	8,050.18	-
B) Interest accrued but not due on borrowings from		
Related Party (Power Grid Corporation of India Ltd)	-	1,525.82
C) Others		
Dues for capital expenditure	1,416.19	108.05
Deposits/Retention money from contractors and others.	247.75	1,118.17
Related parties (Power Grid Corporation of India Ltd)	51.84	443.31
Others *	6.04	2.38
	1,721.82	1,671.91
Total	9,772.00	3,197.73

1. Disclosure with regard to Micro and Small Enterprise as reported under " The Micro, Small and Medium Enterprise Development Act,2006" is given in Note no. 30.

2. Disclosure with regard to related party is under Note no. 33.

*Amount withhold for TDS certificates

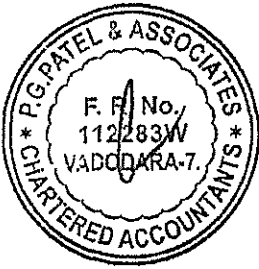


Powergrid Jabalpur Transmission Ltd.

Note 20/Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Statutory dues	17.26	341.00
Total	17.26	341.00

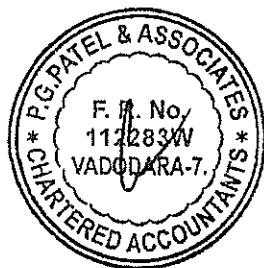


Powergrid Jabalpur Transmission Ltd.
Note 21/ Provisions

(₹ in Lakh)

Particulars	As at 31st	As at 31st
	March,2020	March,2019
Provision - Others*	4.74	-
Total	4.74	-

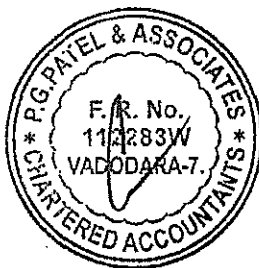
* Includes Auditor fees and stamp duty expenses



Powergrid Jabalpur Transmission Ltd.
Note 22/ Current Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March,2020	As at 31st March,2019
Taxation (Including interest on tax)		
As per last balance sheet	308.34	-
Additions during the year	1,193.52	308.34
Amount adjusted during the year	-	-
Net off against taxes paid (Refer Note 8)	(1,487.62)	-
Closing Balance	14.24	308.34



Powergrid Jabalpur Transmission Ltd.
Note 23/Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sales of services		
Transmission Charges	25,057.12	6,104.81
Total	25,057.12	6,104.81

1. Refer note 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

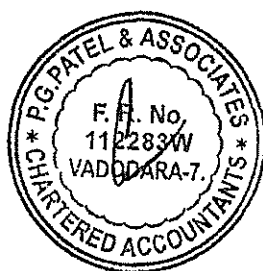


Powergrid Jabalpur Transmission Ltd.

Note 24/Other income

(₹ in Lakh)

Particulars	For the year ended 31st March,2020	For the year ended 31st March,2019
Interest from advances to contractors	-	69.42
Surcharge from Customers	198.38	-
Miscellaneous Income	0.30	0.01
Total	198.68	69.43
Less:Income transferred to expenditure during construction(Net)	-	69.42
TOTAL	198.68	0.01



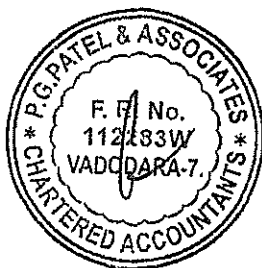
Powergrid Jabalpur Transmission Ltd.

Note 25/Finance costs

(₹ in Lakh)

Particulars	For the year ended 31st March,2020	For the year ended 31st March,2019
A) Interest and finance charges on financial liabilities at amortised cost		
i) Loan from Holding Co. (Powergrid Corporation of India Limited)	10,161.60	9,596.19
ii) Others	0.04	0.04
Total	10,161.64	9,596.23
Less: Transferred to Expenditure during Construction(Net)	-	7,092.29
TOTAL	10,161.64	2,503.94

1.Disclosure with regard to related party is under Note no. 33.

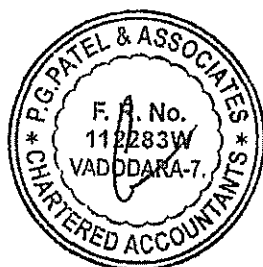


Powergrid Jabalpur Transmission Ltd.

Note 26/Depreciation and amortization expense

(₹ in Lakh)

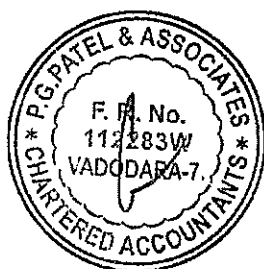
Particulars	For the year ended 31st March,2020	For the year ended 31st March,2019
Depreciation of Property,Plant and Equipment	7,674.12	1,833.17
Amortization of Intangible assets	357.57	88.17
Less: Transferred to Expenditure During Construction - Dep(Net)	-	0.39
TOTAL	8,031.69	1,920.95



Powergrid Jabalpur Transmission Ltd.
Note 27/Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March,2020	For the year ended 31st March,2019
Repair & Maintenance		
Plant & Machinery		
Transmission lines	147.50	84.38
System and Market Operation Charges	20.47	0.83
Legal expenses	0.29	265.45
Professional charges(Including TA/DA)	1.99	2,080.68
Payments to Statutory Auditors		
Statutory Audit Fees	0.81	0.41
Out of Pocket Expenses	0.04	-
Tax Audit Fees	0.30	-
Cost Audit fees	0.24	-
Internal Audit fees	0.35	-
CERC petition & Other charges	26.80	-
Miscellaneous expenses	23.12	6.29
Hiring of Vehicle	-	0.24
CSR Expenses	9.54	-
Rates and taxes	-	10.00
Total	231.45	2,448.28
Less:Transferred to Expenditure during Construction(Net)	-	2,199.22
TOTAL	231.45	249.06



Powergrid Jabalpur Transmission Ltd.**Note 28/Income tax expense**

(₹ in Lakh)

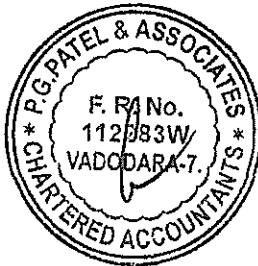
This note provides an analysis of the company's income tax expense and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The

Particulars	31st March,2020	31 March, 2019
(a) Income tax expense		
Current Tax		
Current tax on profits for the year	1,193.52	308.34
Adjustments for current tax of prior years	-	
Total current tax expense	1,193.52	308.34
Deferred tax		
Decrease (increase) in deferred tax assets		
(Decrease) increase in deferred tax liabilities	798.46	108.04
Total deferred tax expense/(benefit)	798.46	108.04
Income tax expense	1,991.98	416.38
Less: MAT Credit Entitlement	1,193.52	308.34
Net Income tax Expense	798.46	108.04

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

Particulars	31st March,2020	31 March, 2019
Profit before income tax expense	6,831.02	1,430.87
Tax at the Indian tax rate of 17.472%	1,193.52	308.34
Deferred Tax	798.46	108.04
Income tax expense	1,991.98	416.38

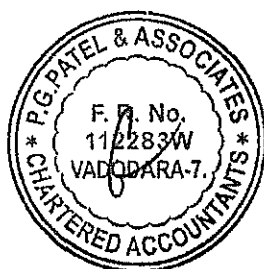
The company has option to avail MAT credit in future against income tax payable and hence MAT paid during earlier & in Current year are carried forward.



Powergrid Jabalpur Transmission Ltd.
Note 29/Expenditure during Construction(Net)

(₹ in Lakh)

Particulars	For the year ended 31st March,2020	For the year ended 31st March,2019
A. Other Expenses		
Legal expenses	-	116.46
Professional charges(Including TA/DA)	-	2,080.60
Miscellaneous expenses	-	1.92
Hiring of Vehicle	-	0.24
Total(A)	-	2,199.22
B. Amortisation/Depreciation	-	0.39
C. Finance Costs	-	7,092.29
D. Other income	-	(69.42)
Sub Total(A+B+C+D)	-	9,222.48

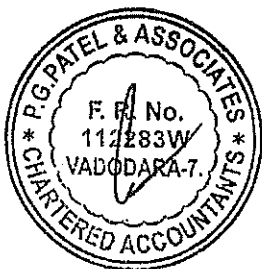


30. Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required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

(₹ in Lakh)			
	Particulars	Current Year	Previous Year
	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	Nil	Nil
	Interest	Nil	Nil
	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

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

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



32. Fair Value Measurements

(₹ in Lakh)

	31st March, 2020	31st March, 2019
Financial Instruments by category	Amortised cost	Amortised cost
Financial Assets		
Cash & cash Equivalents	88.69	7.52
Trade Receivables	3172.91	2362.49
Other Current Financial Assets	2535.51	2075.76
Total Financial assets	5797.11	4445.77
Financial Liabilities		
Borrowings	122155.78	130484.09
Trade Payables	-	1.65
Other Current Financial Liabilities	1721.82	1671.91
Total financial liabilities	123877.60	132157.65

(i) Fair Value Hierarchy

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

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level	At 31 st March 2020	At 31 st March 2019
Financial Assets	-	-	-
Total Financial Assets		-	-
Financial Liabilities			
Borrowings	2	122233.04	126919.04
Total financial liabilities		122233.04	126919.04

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

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

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

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

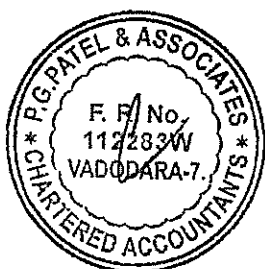
The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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



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

(₹ in Lakh)

	31st March, 2020		31 March 2019	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets	-	-	-	-
Total Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	122155.78	122233.04	130484.09	126919.04
Total financial liabilities	122155.78	122233.04	130484.09	126919.04

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

33. Related party Transactions

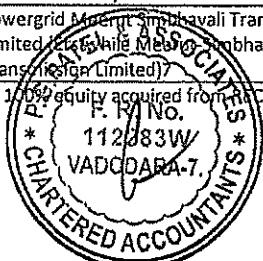
(a) Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-March-2020 Holding Co.	31- March- 2019 Holding Co.
Power Grid Corporation of India Limited	India- Holding Company	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-March-2020	31- March-2019
Powergrid Vizag Transmission Limited	India	N.A.	N.A.
Powergrid NM Transmission Limited	India	N.A.	N.A.
Powergrid Unchahar Transmission Limited	India	N.A.	N.A.
Powergrid Kala Amb Transmission Limited	India	N.A.	N.A.
Powergrid Warora Transmission Limited	India	N.A.	N.A.
Powergrid Parli Transmission Limited	India	N.A.	N.A.
Powergrid Southern Interconnector Transmission System Limited	India	N.A.	N.A.
Powergrid Vemagiri Transmission Limited	India	N.A.	N.A.
Powergrid Medinipur Jeerat Transmission Limited	India	N.A.	N.A.
Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	N.A.	N.A.
Powergrid Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited)	India	N.A.	N.A.
Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	N.A.	N.A.
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) ¹	India	N.A.	N.A.
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) ²	India	N.A.	N.A.
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) ³	India	N.A.	N.A.
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) ⁴	India	N.A.	N.A.
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) ⁵	India	N.A.	N.A.
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) ⁶	India	N.A.	N.A.
Powergrid Meerut Sambhawali Transmission Limited (Erstwhile Meerut Sambhawali Transmission Limited) ⁷	India	N.A.	N.A.

¹ 100% equity acquired from PTC Transmission Projects Limited on 29th August, 2019.



² 100% equity acquired from PFC Consulting Limited on 16th October, 2019.

³ 100% equity acquired from REC Transmission Projects Limited on 11th September, 2019.

⁴ 100% equity acquired from REC Transmission Projects Limited on 03rd October, 2019.

⁵ 100% equity acquired from PFC Consulting Limited on 14th October, 2019.

⁶ 100% equity acquired from REC Transmission Projects Limited on 12th December, 2019.

⁷ 100% equity acquired from PFC Consulting Limited on 19th December, 2019.

(c) Joint Ventures of Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest	
		31-March-2020	31- March- 2019
Powerlinks Transmission Limited	India	N.A.	N.A.
Torrent Power Grid Limited	India	N.A.	N.A.
Jaypee Powergrid Limited	India	N.A.	N.A.
Parbati Koldam Transmission Company Limited	India	N.A.	N.A.
Teestavalley Power Transmission Limited	India	N.A.	N.A.
North East Transmission Company Limited	India	N.A.	N.A.
National High Power Test Laboratory Private Limited	India	N.A.	N.A.
Bihar Grid Company Limited	India	N.A.	N.A.
Kalinga Bidyut Prasaran Nigam Private Limited##	India	N.A.	N.A.
Cross Border Power Transmission Company Limited	India	N.A.	N.A.
RINL Powergrid TLT Private Limited###	India	N.A.	N.A.
Power Transmission Company Nepal Limited	India	N.A.	N.A.

Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approve to striking off the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".

POWERGRID's Board of Directors in its meeting held on 1st May 2018 accorded in principle approval to close RINL Powergrid TLT Private Limited and seek consent of other JV Partner Rashtriya Ispat Nigam Limited. Accordingly Provision for diminution in value of investment has been made by holding company.

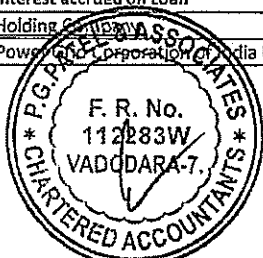
(d) Key Management Personnel

Name	Designation
Smt. Seema Gupta	Chairperson
Shri. D.K.Singh	Director ceased to be Director w.e.f 30.11.2019
Shri Abhay Choudhary	Director
Smt. Susheela Devi	Director
Shri S.D. Joshi	Director appointed w.e.f. 16.11.2019
Shri Ajaya Kumar Satapathy	Chief Financial Officer
Smt. Kamlesh Kumari	Company Secretary ceased to be Company Secretary w.e.f. 30.09.2019

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

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

Particulars	(₹ in Lakh)	
	31st March, 2020	31 March, 2019
Payables		
Holding Company		
Power Grid Corporation of India Ltd.	51.84	443.31
Loans from Holding Company		
Holding Company		
Power Grid Corporation of India Ltd.	122155.78	128958.27
Interest accrued on Loan		
Holding Company		
Power Grid Corporation of India Ltd.	-	1525.82



(f) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakh)		
Particulars	31st March, 2020	31 March, 2019
Consultancy Charges		
Holding Company		
Power Grid Corporation of India Ltd.	470.92	2163.40
Investments Received during the year (Equity)		
Holding Company		
Power Grid Corporation of India Ltd.	4400.00	17300.00
Interest on Loan		
Holding Company		
Power Grid Corporation of India Ltd.	10161.60	9596.19
Dividend Paid		
Holding Company		
Power Grid Corporation of India Ltd.	2801.24	-
Loan repaid		
Holding Company		
Power Grid Corporation of India Ltd.	6802.49	-
Reimbursement of BG extension charges		
Holding Company		
Power Grid Corporation of India Ltd.	4.31	6.26

34. Segment Information

a) Business Segment

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

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

35. Capital and other Commitments

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	741.86	3514.02

36. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts –

A contingent liability of ₹ 21480.61 Lakhs (Nil 31st March 2019) related to liquidated damages as per TSA signed between PJTL and MSDDL & other LTTCs dated 19.11.2014 has been estimated as at 31st March, 2020.

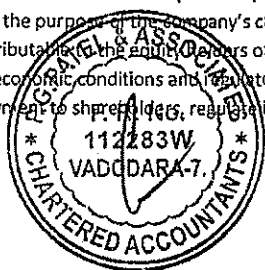
37. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital 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 and regulatory framework. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regular 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 31st March, 2020 and 31 March 2019.

b) Dividends

Particulars	(₹ in Lakh)	
	As at 31.03.2020	As at 31.03.2019
(i) Equity shares		
Interim dividend for the year ended 31.03.2020 of ₹1.36 (31.03.2019 – Nil) per fully paid share	2801.24	-

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 01.06.2020 recommended the payment of a final dividend of ₹ 0.9 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

38. Earnings per share

a) Basic and diluted earnings per share attributable to the equity holders of the company	31st March, 2020	31 March, 2019
Basic diluted earnings per share attributable to the equity holders of the company from continuing Operations (₹)	2.57	2.80

(₹ in Lakh)		
b) Reconciliation of earnings used as numerator in calculating earnings per share	31st March, 2020	31 March, 2019
Total Earnings attributable to the equity holders of the company	4839.04	1014.50

c) Weighted average number of shares used as the denominator	31st March, 2020 No. of shares	31 March, 2019 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	187991530	36191781
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	187991530	36191781

39. Financial Risk Management

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

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

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

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

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

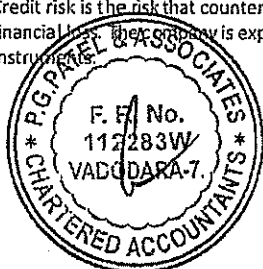
The management of financial risks by the Company is summarized below: -

A) Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

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



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

Assets are written-off when there is no reasonable expectation of recovery, such as debtor declaring bankruptcy or failing to engage in a repayment plan with the company. Where 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 and Unbilled Revenue

The Company primarily provides transmission facilities to inter-state transmission service customers (DTCs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 45 days from the date of the bill and levy of charge on delayed payment beyond 45 days. A graded rebate is provided by the company for payment made within 45 days.

Trade receivables consist of receivables relating to transmission services of ₹ 3172.91 Lakh (Previous Year ₹ 2362.49 Lakh).

Unbilled revenue primarily relates to companies right to consideration for work completed but not billed at the reporting date and have substantially same risk characteristics as the trade receivables for the same type of contract.

(ii) Other Financial Assets

• **Cash and cash equivalents**

The Company held cash and cash equivalents as on 31st March, 2020 of ₹ 88.69 lakh (31st March, 2019: ₹ 7.52 lakh). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Lakh)		
Particulars	31st March, 2020	31 st March, 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	88.69	7.52
Other current financial assets	-	16.93
Total	88.69	24.45
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	3,172.91	2,362.49
Unbilled Revenue	2,535.51	2,058.83

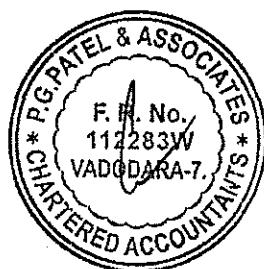
○ **Provision for expected credit losses**

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

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

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

The Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior. Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.



(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing (Trade Receivable)	Not Due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross Carrying amount as on 31st March 2020		1,305.53	595.94	295.35	197.68	778.41	3,172.91
Gross Carrying amount as on 31st March 2019		1,118.58	918.25	325.66	-	-	2,362.49

B) Liquidity risk

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

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

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

Maturities of financial liabilities

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

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

(₹ in Lakh)

Contractual maturities of financial liabilities	Within a year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total
31st March, 2020					
Borrowings	17,848.17	17,202.18	47,731.23	139,190.37	221,971.95
Other financial liabilities	1721.82				1721.82
Total	19,569.99	17,202.18	47,731.23	139,190.37	223,693.77
31 March 2019					
Borrowings	10,190.01	10,616.77	47,392.30	154,761.88	222,960.96
Other financial liabilities	1,663.81				1,663.81
Total	11,853.82	10,616.77	47,392.30	154,761.88	224,624.77

C) Market risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings. The company is exposed to currency risk mainly due to procurement of goods and services.



Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars	Amount in Foreign Currency (USD in lakh)			Amount (₹ in lakh)	
	Currency	31st March, 2020	31 st March, 2019	31st March, 2020	31 st March, 2019
Trade Payables/deposits and retention money	USD	0.15	0.23	6.51	15.90

ii) Interest rate risk

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

40. Auditors Remuneration

Particulars	31st March, 2020	31 st March, 2019
Statutory Audit Fees	0.69	0.35
Tax Audit Fees	0.25	-
Out of Pocket expenses	0.04	-
GST on above	0.17	0.06
Total	1.15	0.41

41. Other Disclosures

a. Taxation

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

The company had made a tax provision of Rs.1193.52 lakh (Previous year Rs. 308.34 Lakh) for the year towards current tax (Minimum Alternate Tax). In accordance with Ind-AS 12 on Accounting for taxes on Income, the company has computed Deferred Tax Asset/(Liability) of Rs. (2408.35) Lakh (Previous Year Rs. 416.38 Lakh) on account of timing difference in relation to depreciation as per books vis.a.vis Tax laws and unused tax losses.

b. Leases

The company does not have any lease arrangements either as a lessor or lessee therefore Ind AS 116 "leases" does not apply to the company.

42. Exceptional & Extraordinary items

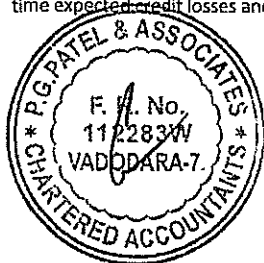
There is no exceptional & extraordinary items as at the Balance Sheet date.

43. Party Balances & Confirmations

Balances of Trade Receivables and recoverable shown under assets & Trade and Other Payables shown under liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However, reconciliations are carried out on on going basis and Balance Confirmation are carried out on balances as on 31st December 2019.

In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment will not be less than value at which they are stated in the Balance Sheet.

44. POWERGRID (Holding Company) in the capacity of CTU is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all IST licensees. Accordingly CTU is raising bill for transmission charges to DICs on behalf of IST licensees. The debtors are accounted based on the list of DICs given by CTU shall assess the credit risk of trade receivable using life time expected credit losses and intimate company for suitable provision, if required.



45. Corporate Social Responsibility (CSR) Expenses

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

(₹ in lakh)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i.	Amount Required to be spent during the year	9.54	-
ii.	Amount spent on CSR – (i) On Construction/acquisition of Any Asset (ii) On purpose other than (i) above	9.54	-
iii.	Shortfall/(Excess) amount appropriated to CSR Reserve	Nil	-
iv.	Break-up of the amount spent on CSR		-
	Education and Skill Development expenses	9.54	-
	Total amount spent on CSR	9.54	-

Total amount of ₹9.54 Lakh (Previous year Nil) has been spent in cash.

46. Disclosure Related to Ind AS 115 'Revenue from Contracts with Customers'

The following table discloses the movement in unbilled revenue during the period ended 31st March, 2020 and 31 March, 2019.

(₹ in Lakhs)

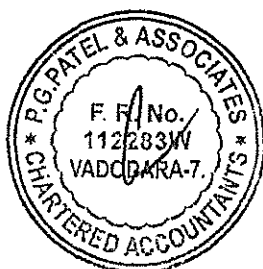
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning	2058.83	NIL
Add: Revenue recognised during the period	2535.51	2058.83
Less: Invoiced during the period	2058.83	NIL
Less: Impairment/reversal during the period	NIL	NIL
Add: Translation gain/(Loss)	NIL	NIL
Balance at the end	2535.51	2058.83

There is no contract liability during the year ended 31st March, 2020 and 31 March 2019.

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

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	24368.10	6008.57
Add/ (Less)- Discounts/ rebates provided to customer	(91.92)	(21.34)
Add/ (Less)- Performance bonus	780.94	117.58
Add/ (Less)- Adjustment for significant financing component	NIL	NIL
Add/ (Less)- Other adjustments	NIL	NIL
Revenue recognized in profit or loss statement	25057.12	6104.81



47. (a) Previous year figures have been regrouped / rearranged wherever considered necessary.

(b) Figures have been rounded off to nearest rupees in lakhs upto two decimal.

As per our report of even date
For M/S P.G. Patel & Associates.
Chartered Accountants

ICAI Firm Registration No. 112283W

CA P.G. Patel
Partner

Membership No.: 035533

Place: Vadodara

Date: 01/06/2020

UDIN: 20035533AAAAE8135



For and on behalf of the Board of Directors

Seema Gupta
Chairperson

DIN: 06636330

Place: Gurugram

Date: 01/06/20

Chief Financial Officer

Place: Vadodara

Date: 01/06/20

Susheela Devi
Director

DIN: 07828528

Place: Hyderabad

Date: 01/06/20