Team Spirit leads to Innovation and Innovation leads to Growth
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<tr>
<td>Directors’ Report</td>
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</tr>
<tr>
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<td>458</td>
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</tbody>
</table>
POWERGRID NM TRANSMISSION LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40106DL2011GOI219542)

ANNUAL REPORT - 2016-17
To

The Members of PNMTL.

Dear Sir / Madam,

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

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

The Venue of the Meeting is:

**BOARD ROOM**

POWERGRID Registered Office

B – 9, Qutab Institutional Area, Katwaria Sarai,
New Delhi – 110016

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

Thanking You.

Your Faithfully

Sd/-

(Mrinal Srivastava)

Company Secretary

Encl: as above

**To:**

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

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of POWERGRID NM Transmission Limited will be held on Friday, the 29th September, 2017 at 17:15 p.m. at the Registered Office of the Company i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016 to transact the following business:

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

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

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

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

By order of the Board of Directors
Sd/-
(Mrinal Shrivastava)
Company Secretary

Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016.
(CIN: U40106DL2011GOI219542)
Date: 4th September, 2017

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

ITEM NO.3

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

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

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

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

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

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

Name of the member (s):

Registered address:

E-mail Id:

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

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

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

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

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

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

Signature of shareholder

Signature of Proxy holder(s)
Directors’ Report

To,
Dear Shareholders,
Ladies & Gentlemen,

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

POWERGRID NM Transmission Company Limited (PNMTL), formerly known as Nagapattinam-Madhugiri Transmission Company Limited was acquired by POWERGRID on 29th March,2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A). Consequent to such acquisition, PNMTL become the wholly owned subsidiary of POWERGRID w.e.f. 29th March, 2017.

Status of Project implementation:

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

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

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

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

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

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

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

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

Project Financing:

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

Dividend and Transfer to Reserves

Your Company’s Project is under implementation hence there is no operating profit.
Particulars of contracts or arrangements with Related Parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

Director’s Responsibility Statement.

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

i) In the preparation of the Annual Accounts for the financial year 2016-17, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The Directors had prepared the Annual Accounts for the financial year 2016-17 on a going concern basis.

v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Extract of Annual Return

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

Statutory Auditors Report for Financial Year 2016-17


Statutory Auditor for the Financial Year 2017-18

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

Comptroller and Auditors General’s Comments

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

Secretarial Auditor

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

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

Since projects are under implementation, no commercial activity was carried out by the Company, requirement of furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 is not applicable.

Particulars of Loans, Guarantees or Investments

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

Fixed Deposit

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

Board of Directors and Key Managerial Personnel

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

In accordance with provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Shri S. Vaithilingam, Director shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Detail of Director or Key Managerial Personnel:

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

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

Number of Board meetings held during the year

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

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during FY 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R. P. Sasmal</td>
<td>Chairman</td>
<td>14</td>
</tr>
<tr>
<td>Shri Ravi P. Singh</td>
<td>Director</td>
<td>12</td>
</tr>
<tr>
<td>Shri D. K. Valecha</td>
<td>Director</td>
<td>14</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>13</td>
</tr>
<tr>
<td>Shri R. K. Singh</td>
<td>Director</td>
<td>01</td>
</tr>
</tbody>
</table>
Committees of the Board of Directors

The Board has constituted the following Committees:

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

Audit Committee:

Pursuant to provisions of Section 177 read with Rule 6 of the Companies Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 an Audit Committee of the Board of Directors has been constituted on 15th May, 2015 and reconstituted on 9th December, 2015. The role, powers, scope of functions of the Audit Committee is as per Section 177 of the Companies Act, 2013 and other applicable provisions of law, as amended from time to time. Shri Mrinal Srivastava is the Company Secretary.

Audit Committee comprises the following members:

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

Number of Audit Committee meetings held during the year

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

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Audit Committee attendance during FY 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri S. Vathilingam</td>
<td>Chairman</td>
<td>02</td>
</tr>
<tr>
<td>Shri D.K. Valecha</td>
<td>Director</td>
<td>02</td>
</tr>
<tr>
<td>Shri R.K Singh</td>
<td>Director</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Committee of Directors for Bonds:

The Board of Directors has constituted a Committee of Directors for rising of funds from time to time through issue of Bonds. The Committee of Directors for Bonds presently comprises the following members:

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

Number of meetings Committee for Bonds

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

Nomination & Remuneration Committee:

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

i) Shri Ravi P. Singh, Director - Chairman of the Committee
ii) Shri R.P. Sasmal, Director - Member
iii) Shri S. Vaithilingam, Director - Member
Number of meetings Committee for Nomination & Remuneration Committee

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

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during FY 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Ravi P. Singh</td>
<td>Chairman</td>
<td>02</td>
</tr>
<tr>
<td>Shri R.P. Sasmal</td>
<td>Director</td>
<td>02</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>02</td>
</tr>
</tbody>
</table>

Corporate Social Responsibility (CSR)

Your Company's Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 and corresponding Rules of Chapter XIII are exempt for Government Companies. As your Company is a Government Company, the information is not required to be given.

Corporate Governance

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

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

Acknowledgement

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

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

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

Place: New Delhi
Date: 4th September, 2017
**Annexure-I**

POWERGRID NM TRANSMISSION LIMITED

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts / arrangements / transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justification for entering into such contracts or arrangements or transactions’</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>POWERGRID CORPORATION OF INDIA LIMITED / HOLDING COMPANY</td>
</tr>
</tbody>
</table>
| b       | Nature of contracts/arrangements/transaction | Part (A) to take any security(ies) / Guarantee(s) in connection with loans(s) and/or avail Inter-corporate Loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of Rs.950 Crore from POWERGRID.  

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

Part (B) to avail all input & services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excluding IDC and Consultancy Fee) plus Service Tax as applicable. |
| c       | Duration of the contracts / arrangements / transaction | Part (A) As mutually agreed.  

Part (B) Commissioning of The TBCB Project including associated reconciliation activities. |
| d       | Salient terms of the contracts or arrangements or transaction including the value, if any | Refer (b). |
| e       | Date of approval by the Board | 29.08.2012 |
| f       | Amount paid as advances, if any | - |

By order of the Board  
For POWERGRID NM Transmission Limited

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

Place: New Delhi  
Dated: 4th September, 2017
POWERGRID NM TRANSMISSION LIMITED
Form No. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR END ED ON 31.03.2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN
U40106DL2011GOI219542

ii. Registration Date
20.05.2011

iii. Name of the Company
POWERGRID NM Transmission Limited

iv. Category/ Sub-Category of the Company
Company Limited by Shares /Union Government Company

v. Address of the Registered office and contact details
B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Tel:0124-2571968 Fax:011-266010881

vi. Whether listed company
No

vii. Name, Address and Contact details of Registrar and Transfer Agent, if any
Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/ services</th>
<th>NIC Code of the Product/ service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>100%</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Name and Address of the Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. POWER GRID CORPORATION OF INDIA LIMITED</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat Physical Total % of Total Shares Demat Physical Total % of Total Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Central Govt.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) State Govt.(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Bodies Corp$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Any Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total(A)(1):-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category of Shareholders</td>
<td>No. of Shares held at the beginning of the year</td>
<td>% of Total Shares</td>
<td>No. of Shares held at the end of the year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Demat Physical Total</td>
<td></td>
<td>Demat Physical Total</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>k) Any Other...</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>Sub-total(A)(2)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td><strong>B. Public Shareholding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>c) Central Govt.</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>d) State Govt.(s)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>g) FII s</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>Sub-total (B)(1)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>2. Non Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Indian</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>b) Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>c) Others(Specify)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>Sub-total(B)(2)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>Total Public Shareholding (B)=(B)(1)+ (B)(2)</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td>- - - -</td>
<td>- - - -</td>
<td>- - - -</td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>0 24000000 24000000 100 - 134000000 134000000 100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Shareholding at the beginning of the year. 01/04/2017</th>
<th>Shareholding at the end of the year. 31/03/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED</td>
<td>23999400</td>
</tr>
<tr>
<td>2.</td>
<td>R.P. Sasmal jointly with POWERGRID</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Ranjan Kumar Srivastava jointly with POWERGRID</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Upendra Pande jointly with POWERGRID</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>R. T. Agarwal jointly with POWERGRID</td>
<td>100</td>
</tr>
<tr>
<td>6.</td>
<td>B. Mishra jointly with POWERGRID</td>
<td>100</td>
</tr>
<tr>
<td>7.</td>
<td>D. K Valecha jointly with POWERGRID</td>
<td>100</td>
</tr>
<tr>
<td>8.</td>
<td>S. Vaithilingam jointly with POWERGRID</td>
<td>100</td>
</tr>
<tr>
<td>9.</td>
<td>Seema Gupta jointly with POWERGRID</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24000000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Please refer notes in IV (i) above

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

<table>
<thead>
<tr>
<th>Sr. no</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>At the beginning of the year</td>
<td>24000000</td>
</tr>
<tr>
<td>2.</td>
<td>Allotment of 30000000 Shares vide Board resolution dated 02.06.2016</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Allotment of 14000000 Shares vide Board resolution dated 30.11.2016</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Allotment of 21000000 Shares vide Board resolution dated 23.12.2016</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Allotment of 22000000 Shares vide Board resolution dated 30.01.2017</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Allotment of 23000000 Shares vide Board resolution dated 08.03.2017</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>At the End of the year</td>
<td>13400000</td>
</tr>
</tbody>
</table>
iv. Shareholding Pattern of Top Ten Shareholders (other than directors, promoters and holders of gdrs and ADRS):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>For Each of the Top 10 Shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Shri R. P. Sasmal, Director and Chairman of the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the End of the year (or on the date of separation, if separated during the year)</td>
<td>100</td>
<td>0.000075</td>
</tr>
</tbody>
</table>

v. Shareholding of Directors and Key Managerial Personnel:

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

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

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>3. Shri D. K. Valecha, Director of the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>100</td>
<td>0.0004</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the End of the year (or on the date of separation, if separated during the year)</td>
<td>100</td>
<td>0.000075</td>
</tr>
</tbody>
</table>
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td>5,355,059,212</td>
<td></td>
<td>5,355,059,212</td>
</tr>
<tr>
<td>iii) Interest accrued but not paid</td>
<td></td>
<td>142,842,237</td>
<td></td>
<td>142,842,237</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>5,497,891,449</td>
<td></td>
<td>5,497,891,449</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td></td>
<td></td>
<td>3,233,469,953</td>
<td></td>
</tr>
<tr>
<td>- Addition</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Reduction</td>
<td></td>
<td></td>
<td>3,233,469,953</td>
<td></td>
</tr>
<tr>
<td>Net Change</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td></td>
<td>8,392,481,321</td>
<td></td>
<td>8,392,481,321</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td>338,890,081</td>
<td></td>
<td>338,890,081</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>8,731,371,402</td>
<td></td>
<td>8,731,371,402</td>
</tr>
</tbody>
</table>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:[Not Applicable]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary Under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission (i) - as % of profit (ii) Others, specify...</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A. Remuneration to other directors:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Particulars of Remuneration</td>
<td>Name of MD/WTD/ Manager</td>
<td>Total Amount</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------</td>
<td>--------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1.</td>
<td>Independent Directors (i) Fee for attending board committee meetings</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(ii) Commission</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(iii) Others, please specify</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>Other Non-Executive Directors (i) Fee for attending board committee meetings</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(ii) Commission</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(iii) Others, please specify</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total (B)=(1+2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:(Not Applicable)

<table>
<thead>
<tr>
<th>Sl. no.</th>
<th>Particulars of Remuneration</th>
<th>CEO</th>
<th>Company Secretary</th>
<th>CFO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>Commission - as% of profit - others, specify...</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/Punishment/Compounding fees imposed</th>
<th>Authority[NCLT/Court]</th>
<th>Appeal made. If any(give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>B. Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>C. Other Officers In Default</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

For and on behalf of
POWERGRID NM Transmission Limited

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

Date: 4th September, 2017
Place: New Delhi
Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Powergrid NM Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and
the adherence to good corporate practices by Power Grid NM Transmission Limited (hereinafter
called the company). Secretarial Audit was conducted in a manner that provided us a reasonable
basis for evaluating the corporate conducts / statutory compliances and expressing our opinion
thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed
and other records maintained by the company and also the information provided by the
Company, its officers, agents and authorized representatives during the conduct of secretarial
audit, we hereby report that in our opinion, the company has, during the audit period covering
the financial year ended on March 31, 2017 complied with the statutory provisions listed
hereunder and also that the Company has proper Board-processes and compliance-mechanism in
place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records
maintained by the Company for the financial year ended on March 31, 2017 according to the
provisions of:
(i) The Companies Act, 2013 (the Act) and the rules made there under;
As confirmed and certified by the management, following law is specifically applicable to the Company based on the Sectors /Businesses:

(a) The Electricity Act, 2003 and Rules and Regulations made there under.

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01.07.2015.

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

1. The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 read with in respect of the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.

2. The Company has not complied with provisions of Section 177 of the Companies Act, 2013 and with respect to constitution of Audit Committee.

3. The Company has not complied with provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee.

We further report that,

Subject to our observations at serial No. 1 to 3 above, the Board of Directors of the Company is constituted of Non-Executive Directors with the exception of requisite number of Independent Directors on the Board of the company as on 31st March, 2017. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions are carried with the consent of all the Directors.

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

Place: New Delhi
Date: September 4th, 2017

Sunita Mathur
Company Secretary in Practice
FCS No. 1743
C P No.: 741

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.
To,
The Members,
Power NM Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110016

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: New Delhi
Date: September 4th, 2017

Sunita Mathur
Company Secretary in Practice
FCS No. 1743
C P No.: 741

102, Sai Plaza, 188 Sant Nagar, East Of Kailash, New Delhi- 110065
e-mail:sunita.streamline@gmail.com; Ph; 26415264, + 91 9810409307
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID NM TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid NM Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 01 August 2017.

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

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

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

Place: Hyderabad
Date: 17 Aug 2017
# Balance Sheet

as at 31st March, 2017

(Amount in ₹)

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

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

As per our report of even date

For NAINEGLI & CO
Chartered Accountants
Firm Regn. No. 0022975

Nainegli Mallinath
Chartered Accountant
Membership No. 025894

(R.P. Sasmal)
Chairman (Part-Time)
DIN : 02319702

(A.K. Das)
CFO

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

(Mrinal Shrivastava)
Company Secy.

Place: Bangalore
Date: 01st August, 2017

For and on behalf of Board of Directors

Place : Gurgaon
Date : 18th July, 2017
Statement of Profit and Loss for the year ended 31st March, 2017

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

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

As per our report of even date

For NAINEGLI & CO
Chartered Accountants
Firm Regn. No. 0022975

Nainegli Mallinath
Chartered Accountant
Membership No. 025894

For and on behalf of Board of Directors

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

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

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

Subsidiaries’ Accounts

Annual Report 2016-17 25
**Cash Flow Statement** for the year ended 31st March, 2017  
(Amount in ₹)

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

As per our report of even date  
**For NAINEGLI & CO**  
Chartered Accountants  
Firm Regn. No. 0022975  
Nainegli Mallinath  
Chartered Accountant  
Membership No. 025894  

For and on behalf of Board of Directors  
**R.P. Sasmal**  
Chairman (Part-Time)  
DIN : 02319702  
(A.K. Das)  
CFO  

**S. Vaithilingam**  
Director (Part-Time)  
DIN : 07107854  
(Mrinal Shrivastava)  
Company Secy.
### Statement of Changes in Equity for the period ended 31st March, 2017

#### A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>240,000,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>-</td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>240,000,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>1,100,000,000</td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>1,340,000,000</td>
</tr>
</tbody>
</table>

#### B. Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Reserves and Surplus</th>
<th>Other Comprehensive Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share application money pending allotment</td>
<td>Capital Reserve</td>
<td>Securities Premium Reserve</td>
</tr>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 1st April, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Changes</td>
<td>280,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>280,000,000</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

As per our report of even date

For NAINEGLI & CO
Chartered Accountants
Firm Regn. No. 0022975

Nainegli Mallinath
Chartered Accountant
Membership No. 025894

For and on behalf of Board of Directors

R.P. Sasmal
Chairman (Part-Time)
DIN : 02319702

A.K. Das
CFO

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

Mrinal Shrivastava
Company Secy.

Place: Bangalore
Date: 01st August, 2017

Place: Gurgaon
Date: 18th July, 2017
Notes to Separate Financial Statements

1. Corporate & General Information

Powergrid NM Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The Company is principally engaged to develop, construct, operate and maintain power system network for the purpose of transmission of electricity through the states of Tamil Nadu and Karnataka (Project). The registered office of the Company is situated at 8-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The Company was incorporated on 20th May 2011 under the Companies Act, 1956 as a wholly owned subsidiary of PFC Consulting Limited (PFCL), (A wholly owned subsidiary of Power Finance Corporation Ltd, a Govt. of India Undertaking). The company was transferred to Power Grid Corporation of India Limited vide Share purchase Agreement dated 29th March 2012 by the PFCL. After transfer, the company became a subsidiary of Power Grid Corporation of India Ltd. Name of the company has since been changed from NAGAPATTINAM-MADHUGIRI TRANSMISSION COMPANY LIMITED to POWERGRID NM TRANSMISSION LIMITED (referred to as "the company" or "PNMTL") during the FY 2012-13. The Project consists of construction of 765kV Double Circuit Transmission Line between Nagapattinam Pooling Station-Salem (Line Length 202.87 KM Approx) and 765kV Single Circuit Transmission Line between Salem-Madhugiri (Line Length 220.844 KM Approx). The 765kV Double Circuit Transmission Line between Nagapattinam Pooling Station-Salem was commissioned on 23-Oct-2016 and the construction of 765kV Single Circuit Transmission Line between Salem-Madhugiri is underway as at 31 March 2017.

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

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note 2.11 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

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

iv) Use of estimates

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

2.2 Property, Plant and Equipment

Measurement on transition to IndAS

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

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

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

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

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

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

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

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

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

De-recognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.
Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

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

2.5 Depreciation / Amortisation

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3 Years</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as Nil.

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

Mobile phones are charged off in the year of purchase.

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

Depreciation / Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

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

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

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

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

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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

2.8 Cash and cash equivalents

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

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.
Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.
Spare parts which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.
Surplus materials as determined by the management are held for intended use and are included in the inventory.
The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

i) As A Lessor

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

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

a) Finance lease

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

b) Operating lease

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

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

ii) As a Lessee

Operating leases

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

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, loans to employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

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

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

Offsetting of financial instruments

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

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.13 Income Tax

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

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

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

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

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

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

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

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

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

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

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self insurance reserve is created @ 0.12% P.a on Gross Block of Property plant and equipment except assets covered under insurance as at the end of the year by appropriation of current years profit to mitigate future losses from uninsured risks. The same is shown as ”Self Insurance Reserve” under “Other Equity”. 
2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

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

2.20 Cash Flow Statement

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

3. Critical Estimates

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

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

The area involving critical estimates or judgements are:

Estimation of Revenue

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.
### Note 4/Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cost</th>
<th>Accumulated depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2016</td>
<td>As at 1st April, 2016</td>
<td>As at 1st April, 2016</td>
</tr>
<tr>
<td></td>
<td>Additions during the year</td>
<td>Disposal</td>
<td>Adjustment during the year</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Transmission</td>
<td>-</td>
<td>8,015,194,233</td>
<td>-</td>
</tr>
<tr>
<td>b) Communication System</td>
<td>-</td>
<td>40,057,472</td>
<td>-</td>
</tr>
<tr>
<td>Furniture Fixtures</td>
<td>57,537</td>
<td>-</td>
<td>2,139</td>
</tr>
<tr>
<td>Electronic Data Processing &amp; Word Processing Machines</td>
<td>101,750</td>
<td>-</td>
<td>34,987</td>
</tr>
<tr>
<td>Total</td>
<td>159,287</td>
<td>8,055,251,705</td>
<td>37,126</td>
</tr>
</tbody>
</table>

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

### Additional Disclosure

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2015</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td></td>
</tr>
<tr>
<td>Electronic Data Processing &amp; Word Processing Machines</td>
<td>121,545</td>
</tr>
<tr>
<td>Total</td>
<td>121,545</td>
</tr>
</tbody>
</table>
### Note 5/Capital work in progress

#### (Amount In ₹)

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

#### Note 5/Capital work in progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; Equipments (including associated civil works)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Transmission</td>
<td>647,686,792</td>
<td>4,234,495,350</td>
<td></td>
<td>4,882,182,142</td>
<td>647,686,792</td>
<td></td>
</tr>
<tr>
<td>b) Sub-Station</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Stores</td>
<td>877,073,232</td>
<td>981,787,875</td>
<td></td>
<td>1,858,861,107</td>
<td>877,073,232</td>
<td></td>
</tr>
<tr>
<td>Expenditure pending allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Survey, investigation, consultancy &amp; supervision Charges</td>
<td>5,071,781</td>
<td>3,622,760</td>
<td></td>
<td>8,694,541</td>
<td>5,071,781</td>
<td></td>
</tr>
<tr>
<td>ii) Expenditure during construction period (net) (Note 22)</td>
<td>248,119,320</td>
<td>391,193,371</td>
<td></td>
<td>639,312,691</td>
<td>248,119,320</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,777,951,125</strong></td>
<td><strong>5,611,099,356</strong></td>
<td><strong>-</strong></td>
<td><strong>7,389,050,481</strong></td>
<td><strong>1,777,951,125</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

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

#### (At cost) (Amount In ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>210,293,982</td>
<td>655,714,502</td>
<td>278,430,953</td>
</tr>
<tr>
<td>Conductors</td>
<td>531,496,472</td>
<td>772,586,451</td>
<td></td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>75,657,256</td>
<td>430,560,154</td>
<td>598,642,279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>817,447,710</strong></td>
<td><strong>1,858,861,107</strong></td>
<td><strong>877,073,232</strong></td>
</tr>
</tbody>
</table>

| Construction Stores include: |
| i) Material with Contractors |
| Towers | 210,293,982 | 655,714,502 | 278,430,953 |
| Conductors | 531,496,472 | 772,586,451 | |
| Other Line Materials | 75,657,256 | 430,560,154 | 598,642,279 |
| **Total** | **791,991,635** | **1,858,861,107** | **877,073,232** |
### Note 6/Other Intangible assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2017</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Data Processing Software</td>
<td>14,733</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,733</td>
<td>5,556</td>
<td>4,910</td>
<td>-</td>
<td>-</td>
<td>10,466</td>
<td>4,266</td>
</tr>
<tr>
<td>Total</td>
<td>14,733</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,733</td>
<td>5,556</td>
<td>4,910</td>
<td>-</td>
<td>-</td>
<td>10,466</td>
<td>4,266</td>
</tr>
</tbody>
</table>

Note 6/Other Intangible assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2016</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Data Processing Software</td>
<td>-</td>
<td>14,733</td>
<td>-</td>
<td>-</td>
<td>14,733</td>
<td>-</td>
<td>4,942</td>
<td>-</td>
<td>614</td>
<td>5,556</td>
<td>9,177</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>14,733</td>
<td>-</td>
<td>-</td>
<td>14,733</td>
<td>-</td>
<td>4,942</td>
<td>-</td>
<td>614</td>
<td>5,556</td>
<td>9,177</td>
</tr>
</tbody>
</table>
### Note 7/ Deferred tax Assets (Net)

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

### Note 8/ Other non-current Assets

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

### Note 9/ Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March,2017</th>
<th>As at 31st March,2016</th>
<th>As at 1st April,2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In Current accounts</td>
<td>632,626</td>
<td>724,623</td>
<td>10,640</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>632,626</td>
<td>724,623</td>
<td>10,640</td>
</tr>
</tbody>
</table>

**Note**

Details of Specified Bank Notes

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes</th>
<th>Demonination</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in Hand as on 08th November 2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Permitted payments</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Closing Cash in Hand as on 30th December 2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

### Note 10/ Other Current Financial Assets

*Unsecured considered good unless otherwise stated*

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March,2017</th>
<th>As at 31st March,2016</th>
<th>As at 1st April,2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Unbilled Revenue</td>
<td>189,199,058</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2) Interest accrued but not due</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest accrued on Others</td>
<td>743,293</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3) Others</td>
<td>1,491</td>
<td>294,207</td>
<td>597,286</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>189,943,842</td>
<td>294,207</td>
<td>597,286</td>
</tr>
</tbody>
</table>
### Note 11/ Other Current Assets
(Unsecured considered good unless otherwise stated) (Amount In ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
</table>
| Advances recoverable in kind or for value to be received  
  Contractors & Suppliers                           |                         |                        |                       |
| Others                                            | 28,873                  |                        |                       |
| Total                                             | 28,873                  | 1,567,790              |                       |

### Note 12/ Equity Share capital
(Amount In ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>2,150,000,000</td>
<td>650,000,000</td>
<td>650,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td>1,340,000,000</td>
<td>240,000,000</td>
<td>240,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,340,000,000</td>
<td>240,000,000</td>
<td>240,000,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>24,000,000</td>
<td>240,000,000</td>
<td>240,000,000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>110,000,000</td>
<td>1,100,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>134,000,000</td>
<td>1,340,000,000</td>
<td>240,000,000</td>
</tr>
</tbody>
</table>

### Note 13/ Other Equity
(Amount In ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Powergrid Corporation of India Ltd</td>
<td>134,000,000</td>
<td>24,000,000</td>
<td>240,000,000</td>
</tr>
</tbody>
</table>

### Note 14/ Borrowings
(Amount In ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan (Unsecured)</td>
<td>8,392,481,321</td>
<td>5,355,059,212</td>
<td>913,400,000</td>
</tr>
</tbody>
</table>
Further notes:
The Inter Corporate Loan is provided by the Holding Company on cost to cost basis carrying interest rate ranging from 7.20% to 8.93% and back to back servicing and the loan is repayable generally over a period of 14 to 15 years starting from 19-Oct-2018.

**Note 15/ Other Current Financial Liabilities**

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

**Note 16/ Other Current Liabilities**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>43,991,700</td>
<td>25,603,772</td>
<td>14,448,976</td>
</tr>
<tr>
<td>Total</td>
<td>43,991,700</td>
<td>25,603,772</td>
<td>14,448,976</td>
</tr>
</tbody>
</table>

**Note 17/ Revenue from operation**

<table>
<thead>
<tr>
<th>Sales of Services</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission Charges</td>
<td>189,199,058</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>189,199,058</td>
<td>-</td>
</tr>
</tbody>
</table>

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

**Note 18/ Other income**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from advances to contractors</td>
<td>6,589,679</td>
<td>14,664,581</td>
</tr>
<tr>
<td>FERV gain</td>
<td>431,027</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>4,247</td>
<td>305,635</td>
</tr>
<tr>
<td>Less: Income transferred to expenditure during construction (Net) - Note 22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,024,953</td>
<td>14,970,216</td>
</tr>
</tbody>
</table>

**Note 19/ Finance costs**

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

TOTAL | 222,555,388 | - |
### Note 20/ Depreciation and amortization expense

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017 (Amount In ₹)</th>
<th>For the year ended 31st March, 2016 (Amount In ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>186,723,194</td>
<td>37,740</td>
</tr>
<tr>
<td>Amortisation of Intangible assets</td>
<td>4,911</td>
<td>4,942</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction(Net)-Note 22</td>
<td>28,721</td>
<td>42,682</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>186,699,384</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 21/ Other expenses

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

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

Transmission License for this Transmission Project was issued by CERC vide letter dated 15th July 2013 and letter for Grant of Authorisation u/s 164 of Electricity Act, 2003 by Ministry of Power on 09.12.2013. Procurement activities viz., bidding document, qualification requirements, packaging etc. have been carried out as per the approved procedure and including signing of contract agreements. The Project is partly commissioned during the financial year and balance is in execution as at the end of current financial year 2016-17. In respect of the commissioned 765 kV D/C Line, the associated and incidental project related costs that have been carried under incidental expenses during construction have been allocated to assets proportionately upto the date of commissioning.

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

The Current financial liabilities include a sum of ₹ 1,01,09,939 arising mainly due to expenses incurred by Holding company on behalf of the Company. Holding company has confirmed that no interest has been charged or is chargeable to the Company on the same. However, since the said amount is repayable on demand, the same is shown as current liability. Original Supporting bills in respect of expenditure incurred by holding company are retained by holding company of which copies are available with the Company. Holding company has confirmed that it has complied with statutory provisions relating to the ‘Deduction of tax at source’ etc. as applicable to respective expenses.

25. Exceptional and Extraordinary items

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

26. Party Balances and Confirmations

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

27. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

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

28. Auditors Remuneration

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>FY 2015-16 Amount In ₹</th>
<th>FY 2014-15 Amount In ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Statutory Audit Fees</td>
<td>1,40,000</td>
<td>1,10,000</td>
</tr>
<tr>
<td>2</td>
<td>Service Tax</td>
<td>21,000</td>
<td>15,950</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,61,000</td>
<td>1,25,950</td>
</tr>
</tbody>
</table>

29. Recoverability of Excess Acquisition Price paid to PFCCL

Acquisition price originally paid by Holding Company included in the ‘Incidental Expenditure During Construction’ being part of CWIP and also included in the amount payable to the Holding Company comprises of an amount of ₹ 83,29,067/-, which is observed by the CAG in their IR dated 25-02-2014 as an excess money paid to PFCCL. During he FY 2016-17 an amount of ₹ 69,65,004/- was refunded by PFCCL on 09-Jun-2016. The company is pursuening the matter with PFCCL for recovery of balance excess amount of ₹ 13,64,063/- and the management is of the opinion the same is recoverable.

30. Other Disclosures

a. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company and are working on time share basis and deputation in terms of the consultancy agreement dated 11-Sep-2012 & amendment thereon dt. 08-Dec-2014. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement supra. As of now whatever the amount provided towards the Manpower charges in the subsidiary company is reversed and Consultancy charges of ₹ 39,04,72,862 is provided in the Accounts upto 31-Mar-2017. Since there are no employees in the company, the obligation as per Ind AS-19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.
b. Leases

**Operating Lease:** The Company has no major operating leases except in respect of premises for office which is renewable in nature based on mutually agreed terms.

**Finance Lease:** The Company has no finance leases.

c. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

d. Borrowing Cost

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

31. (i) Fair value Measurements

(Amount in ₹)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised cost</td>
<td>FVOCI</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>632,626</td>
<td>724,623</td>
<td>10,640</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>189,943,842</td>
<td>294,207</td>
<td>597,286</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>190,576,468</td>
<td>1,018,830</td>
<td>607,926</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>8,731,371,402</td>
<td>5,497,901,449</td>
<td>923,910,108</td>
</tr>
<tr>
<td>Trade Payables Other Financial Liabilities</td>
<td>843,931,907</td>
<td>1,698,314,381</td>
<td>821,685,896</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>9,575,303,309</td>
<td>7,196,215,830</td>
<td>1,745,596,004</td>
</tr>
</tbody>
</table>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

An Explanation of each level follows underneath the table.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits/retention money from contractors and others</td>
<td>-</td>
<td>8,881,569,072</td>
<td>-</td>
<td>8,881,569,072</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>-</td>
<td>8,881,569,072</td>
<td>-</td>
<td>8,881,569,072</td>
<td></td>
</tr>
</tbody>
</table>
### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

#### At 31 March 2016

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>5,419,398,920</td>
<td>5,419,398,920</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td></td>
<td><strong>5,419,398,920</strong></td>
<td><strong>5,419,398,920</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

#### At 01 April, 2015

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>913,656,023</td>
<td>913,656,023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td></td>
<td><strong>913,656,023</strong></td>
<td><strong>913,656,023</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Level 1:
Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity 113(91)(a) instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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

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

This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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

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

(ii) Valuation technique used to determine fair value Specific valuation techniques used to value financial instruments include:

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

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

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

#### Particulars

<table>
<thead>
<tr>
<th></th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>8,731,371,402</td>
<td>8,881,569,072</td>
<td>5,419,398,920</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>8,731,371,402</td>
<td>8,881,569,072</td>
<td>5,419,398,920</td>
</tr>
</tbody>
</table>

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

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
### 32. Capital and other commitments

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

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

### 33. Contingent Liabilities

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

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

### 34. Earnings Per Share

#### (a) Basic and Diluted earnings per share attributable to the equity holders of the company

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basing Earning Per Share</td>
<td>(2.58)</td>
<td>-</td>
</tr>
<tr>
<td>Diluted Earning Per Share</td>
<td>(2.56)</td>
<td>-</td>
</tr>
</tbody>
</table>

#### (b) Reconciliation of earnings used in calculating earnings per share

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017</th>
<th>31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company</td>
<td>(189,484,344)</td>
<td>-</td>
</tr>
</tbody>
</table>

#### (c) Weighted average number of shares used as the denominator

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017 Number of shares</th>
<th>31 March 2016 Number of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>73,471,233</td>
<td>24,000,000</td>
</tr>
<tr>
<td>Adjustments for calculation of diluted earnings per share:</td>
<td>553,425</td>
<td>-</td>
</tr>
<tr>
<td>Total Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>74,024,658</td>
<td>24,000,000</td>
</tr>
</tbody>
</table>
### 35. Related party Transactions

#### (a) Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of Business/ Country of incorporation/ Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31st March, 2017 31st March, 2016 1st April, 2015</td>
</tr>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India-Holding Company</td>
<td>100% 100% 100%</td>
</tr>
</tbody>
</table>

#### (b) Subsidiaries of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of Business/ Country of incorporation/ Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31st March, 2017 31st March, 2016 1st April, 2015</td>
</tr>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited#</td>
<td>India-Fellow Subsidiary</td>
<td>- - -</td>
</tr>
</tbody>
</table>

*Ceases to be the subsidiary w.e.f. 2nd January 2017
# 100% equity in Medinipur Jeerat Transmission Limited acquired from PFC Consulting Limited on 28th March, 2017.

#### (c) Joint Ventures of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of Business/ Country of incorporation/ Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31st March, 2017 31st March, 2016 1st April, 2015</td>
</tr>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India-JV of Holding</td>
<td>- - -</td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal* JV of Holding</td>
<td>- - -</td>
</tr>
</tbody>
</table>

*Ceased to be Joint Venture of holding company w.e.f. 25th April 2016
(d) Key Managerial Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Date of Appointment</th>
<th>Date of Resignation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R.P. Sasmal</td>
<td>Chairman (Part-time)</td>
<td>09.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri Ravi P Singh</td>
<td>Director (Part-time)</td>
<td>29.11.2012</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri S.Vaithilingam</td>
<td>Director (Part-time)</td>
<td>04.03.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri D.K. Valecha</td>
<td>Director (Part-time)</td>
<td>04.03.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri R.K. Singh</td>
<td>Director (Part-time)</td>
<td>09.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri S Ravindar Kumar</td>
<td>CEO (Part-time)</td>
<td>02.09.2016</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri D. Sudarshan</td>
<td>CFO</td>
<td>18.05.2015</td>
<td>26.07.2016</td>
</tr>
<tr>
<td>Shri A.K. Das</td>
<td>CFO</td>
<td>26.07.2016</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri Mrinal Shrivastava</td>
<td>Co. Secy.</td>
<td>18.05.2015</td>
<td>Continuing</td>
</tr>
</tbody>
</table>

(e) Directors, CEO, CFO and Company Secretary’s compensation

The above personnel working for the company are from holding company and are working on time share basis and deputation. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for manpower as per the agreement dt. 11-Sep-2012 & amendment thereon dt. 08-Dec-2014. Since there are no employees in the company, the obligation as per Ind AS -19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

(f) Transactions with related parties

The following transactions occurred with related parties:

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

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other payables (Expenses/Consultancy Fee)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td>316,662,924</td>
<td>208,108,992</td>
<td>257,029,368</td>
</tr>
<tr>
<td>Total payables to related parties</td>
<td>316,662,924</td>
<td>208,108,992</td>
<td>257,029,368</td>
</tr>
</tbody>
</table>
36. Capital management

a) Risk Management

The company’s objectives when managing capital are to

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

For the purpose of the company’s capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The company monitors the debt equity ratio as the company policy is to maintain a 80:20. However, since the company has not fully implemented the project the actual ratio as on 31.03.2017 is 86.55:13.45 is temporary and considered normal.

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

b) Dividends

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

37. Segment Information

Business Segment

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

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

38. Financial Risk Management

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

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

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

a) Credit risk,

b) Liquidity risk,

c) Market risk.

This note presents information regarding the company’s exposure, objectives, policies and processes for measuring and managing these risks.
The management of financial risks by the Company is summarized below:

A) Credit Risk

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

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

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

(i) Trade Receivables

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

(ii) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

  The Company held cash and cash equivalents of ₹ 6,32,626 (31st March, 2016: ₹ 7,24,623, 1st April, 2015: ₹ 10,640). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- **Exposure to credit risk**

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>632,626</td>
<td>724,623</td>
<td>10,640</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>189,943,842</td>
<td>294,207</td>
<td>597,286</td>
</tr>
<tr>
<td>Total</td>
<td>190,576,468</td>
<td>1,018,830</td>
<td>607,926</td>
</tr>
<tr>
<td>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- **Provision for expected credit losses**

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

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

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

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

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

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

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

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

Maturities of financial liabilities

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

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

(Amount in ₹)

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

C) Market risk

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

i. Currency risk

ii. Interest rate risk

i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings. The Exposure to foreign currency for prerequirement of goods and services is given in Note 27.

ii) Interest rate risk

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

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

(a) Income tax expense

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current tax on profits for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments for current tax of prior periods</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current tax expense</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease (increase) in deferred tax assets</td>
<td>(523,569,091)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (increase) in deferred tax liabilities</td>
<td>423,246,108</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred tax expense /benefit</strong></td>
<td>(100,322,983)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(100,322,983)</td>
<td>-</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before income tax expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tax at the Indian tax rate of NIL (FY 2015-2016 – 20.3885%)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax recognized</td>
<td>(100,322,983)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Income Tax expenses</strong></td>
<td>(100,322,983)</td>
<td>-</td>
</tr>
</tbody>
</table>

40. Recent Accounting Pronouncements

Standard issued but not yet effective

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

Amendment to Ind AS 7 ‘Statement of cash flows’:

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

41. Transition to IND AS

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

(Amount in `)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes to first time adoption</th>
<th>31 March, 2016</th>
<th>1 April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity (shareholder’s funds) as per previous GAAP</td>
<td></td>
<td>239,961,842</td>
<td>239,961,842</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on Prior Period capitalisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total equity as per IND AS</strong></td>
<td></td>
<td>239,961,842</td>
<td>239,961,842</td>
</tr>
</tbody>
</table>

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

(Amount in `)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes to first time adoption</th>
<th>Previous GAAP</th>
<th>Adjustments</th>
<th>IND AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after tax as per provision GAAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on Prior Period capitalisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax as per IND AS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>IX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income as per IND AS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

(Amount in `)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes to first time adoption</th>
<th>Previous GAAP</th>
<th>Adjustments</th>
<th>IND AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flow from operating activities</td>
<td></td>
<td>878,141,534</td>
<td>140,709,165</td>
<td>1,018,850,699</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td></td>
<td>(5,319,086,763)</td>
<td>(140709165)</td>
<td>(5,459,795,928)</td>
</tr>
<tr>
<td>Net cash flow from financing activities</td>
<td></td>
<td>4,441,659,212</td>
<td></td>
<td>4,441,659,212</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td></td>
<td>713,983</td>
<td></td>
<td>713,983</td>
</tr>
<tr>
<td>Cash and cash equivalents as at 01 April, 2015</td>
<td></td>
<td>10,640</td>
<td></td>
<td>10,640</td>
</tr>
<tr>
<td>Cash and cash equivalents as at 31 March 2016</td>
<td></td>
<td>724,623</td>
<td></td>
<td>724,623</td>
</tr>
</tbody>
</table>

Note to First Time adoption

Restatement due to prior period errors

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

42. The previous year figures have been reclassified/re-grouped to conform to the current year’s classification.

As per our report of even date

For NAINEGLI & CO
Chartered Accountants
Firm Regn. No. 002977S

Nainegli Mallinath
Proprietor
Membership No. 025894

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman (Part-Time)
DIN : 02319702

(A.K. Das)
CFO

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

(Mrinal Shrivastava)
Company Secy.

Place: Bangalore  Date: 01st August, 2017
Place : Gurgaon  Date : 18th July, 2017
INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF POWERGRID NM TRANSMISSION LIMITED

Report on the Standalone Ind AS Financial Statements

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

Management’s Responsibility for the Standalone Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Loss and its cash flows for the year ended on that date.

Other Matter

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

1. As required by the Companies (Auditor’s Report) Order, 2016 (the Order) issued by the Central Government of India in terms of Section 143 (11) of the Companies Act 2013, we give in the Annexure ‘1’ a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting standards) Amendment Rules, 2016;
   e) As the Government Companies have been exempted from applicability of the provisions of section 164(2) of the Companies Act, 2013, reporting on disqualification of Director is not required.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure ‘2’;
   g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The company has disclosed the impact of pending litigations on the financial position of the Company as disclosed under Contingent Liabilities Note 35 to the Standalone Ind AS Financial Statements.
      (ii) There are no material foreseeable losses on long term contracts including derivative contracts requiring Company to make provision, as required under the applicable law or accounting standards; and
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      (iv) The Company has provided requisite disclosures in Note 8 to these Standalone Ind AS Financial Statements as to the holding of Specified Bank notes on November 08, 2016 and December 30, 2016 as well as dealings in Specified Bank notes during the period from November 08, 2016 and December 30, 2016. Based on our procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank notes, we report that these disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management.

3. In terms of Section 143 (5) of the Companies Act 2013, we give in the Annexure ‘3’ a statement on the directions issued by the Comptroller and Auditor General of India.

For Nainegli & Co
Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.
Proprietor
Membership No. 025894

Bangalore, August 01, 2017
Annexure ‘1’ referred to in our Independent Auditors’ Report dated 01-08-2017 Issued to the members of Powergrid NM Transmission Limited


Based on the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) In respect of Fixed Assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the company has no immovable properties as at the Balance sheet date and hence clause 3(i)(c) of the Order is not applicable to the company.

(ii) According to the information and explanations given to us, the company did not have inventories. Accordingly clause 3(ii) of the Order is not applicable to the company.

(iii) As explained to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly clauses 3(iii) (a) to 3(iii) (c) are not applicable to the company.

(iv) As explained to us, the company does not have loans, investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013 and accordingly clause 3(iv) of the Order is not applicable to the company.

(v) According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the provisions relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable at present and accordingly clause 3(vi) of the Order is not applicable to the company.

(vii) In respect of statutory dues:

(a) The company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities to the extent applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable;

(b) As explained, there are there are no outstanding dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.
(viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders. Accordingly clause 3(viii) of the Order is not applicable to the company.

(ix) According to the information and explanations given to us, the company has raised moneys by way of further issue of share capital to the holding company and raised term loan as inter corporate borrowings from the holding company and both share capital and loan so received from the holding company have been applied for the purposes for which it is received.

(x) According to the information and explanations given to us, and based on specific audit procedure adopted for the purpose of reporting true and fair view of Standalone Ind AS Financial Statements, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) As explained to us, the company has not paid or provided for managerial remuneration for the year under review. The key managerial personnel (KMP) include CEO, CFO being employees of the holding company have been deputed on full time basis and other KMPs along with other employees have been deputed on part-time basis. No managerial remuneration has been paid to such representatives by the Company except for consultancy services charged by the holding company based on time and manpower spent. Accordingly provisions of section 197 of the Companies Act, 2013 are not applicable and also clause 3(xi) of the Order is not applicable to the company.

(xii) The company is not a Nidhi Company attracting Nidhi Rules, 2014. Accordingly, clause 3(xii) of the Order is not applicable to the company.

(xiii) According to the information and explanations given to us, and based on specific audit procedures, we report that all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the relevant details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards and the Companies Act, 2013.

(xiv) According to the information and explanations given to us and the records of the company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore provisions of section 42 of the Companies Act, 2013 are not applicable and as also clause 3(xiv) of the Order is not applicable to the company.

(xv) According to the information and explanations given to us and the records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of section 192 of the Companies Act, 2013 are not applicable. Therefore clause 3(xv) of the Order is not applicable to the company.

(xvi) According to the information and explanations given to us the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3(xvi) of the Order is not applicable to the company.

For Nainegli & Co
Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.
Proprietor
Membership No. 025894

Bangalore, August 01, 2017
Annexure '2' referred to in our Independent Auditors’ Report dated 01-08-2017

Report on the Internal Financial Controls in terms of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Powergrid NM Transmission Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

1. Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

3. Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone Ind AS Financial Statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Nainegli & Co
Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.
Proprietor
Membership No. 025894
Bangalore, August 01, 2017
Annexure ‘3’ referred to in our Independent Auditors’ Report dated 01-08-2017

Statement on the directions issued by the Comptroller and Auditor General of India

We have verified various documents and other relevant records and also on the basis of information and explanations provided to us, by the management of Powergrid NM Transmission Limited to ascertain whether the company has complied with Section 143(5) of the Companies Act, 2013 and we give our report against each specific direction as under:

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Direction</th>
<th>Auditor’s Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Whether the company has clear title/lease deeds for freehold and leasehold land respectively (if not please state the area of freehold/leasehold for which title or lease deeds are not available)</td>
<td>The Company does not have any land whether freehold or leasehold.</td>
</tr>
<tr>
<td>2</td>
<td>Whether there are any cases of waiver/write-offs of debts/loans/interest, etc. If yes, the reasons therefor and amount involved.</td>
<td>We have not come across any such cases of waiver/write off of debts/loans/interest etc. during the year.</td>
</tr>
<tr>
<td>3</td>
<td>Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from Govt. or other authorities.</td>
<td>In respect of Inventories lying with third parties, the Company has maintained proper records and we have verified the same. As per information and explanation provided by the Company, none of the assets have been received as gift from Govt. or other authorities.</td>
</tr>
</tbody>
</table>

For Nainegli & Co
Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.
Proprietor
Membership No. 025894

Bangalore, August 01, 2017

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of Powergrid NM Transmission Limited for the year ended March 31, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For Nainegli & Co
Chartered Accountants
Firm Registration No. 002297S

Nainegli Mallinath S.
Proprietor
Membership No. 025894

Bangalore, August 01, 2017
Notice is hereby given that the Sixth Annual General Meeting of the POWERGRID Vemagiri Transmission Limited will be held on Tuesday, 26th September, 2017 at 4:00 p.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katvaria Sarai, New Delhi – 110016 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Report of the Board of Directors and Auditors thereon;

2. To appoint a Director in place of Shri Ranjan Kumar Srivastava, who retires by rotation and, being eligible, offers himself for reappointment.

3. To fix the remuneration of the Statutory Auditors.

**Special business:**

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

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

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. POWERGRID Vemagiri Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. Pursuant to the Section 139(5) of the Companies Act, the auditors of the Government Company are appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in Annual General Meeting or in such manner as the Company in Annual General Meeting may determine. The members of the Company, in its 5th Annual General Meeting held on 15th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly the Board of Directors had fixed audit fee of ₹ 40,000/- for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. M/s. Prahalad Khandelwal & Co has been appointed by the C&AG as Statutory Auditors of the company for the Financial Year 2017-18.

3. The Members of the Company may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the 2017-18.

By order of the Board
For POWERGRID Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Date: 21st September, 2017

**Regd. Office:**
POWERGRID Vemagiri Transmission Limited
B-9, Qutab Institutional Area,
Katvaria Sarai,
New Delhi – 110 016.
STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

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

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

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

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

By order of the Board
For POWERGRID Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Date: 21st September, 2017
Directors’ Report 2016-17

To,

Dear Members,


POWERGRID Vemagiri Transmission Limited (PVTL) was acquired /taken over by POWERGRID on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Project Company Limited (the Bid Process Co-ordinate). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765KV D/C is to traverse the state of Andhra Pradesh. CERC vide orders dt. 09.05.2013 and 27.09.2013 inter alia stated that the project cannot be executed in its presented form and directed the CTU (POWERGRID) to return the bank guarantees of identified long term transmission customers and also directed the long term transmission customers to return the contract performance guarantee given by POWERGRID. CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 KV D/C lines is neither required as an evacuation line nor as a system strengthening line and no useful purpose will be served by adopting the transmission charges and granting licence to the petitioner for the said transmission line. Further, the Order also detailed the methodology for refund of acquisition price and expenditure incurred. Presently, the matter on refund is being reviewed by CERC and also before the Appellate Tribunal.

Financial Performance

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

Share Capital

As on March 31, 2017, the Company had Authorized, Subscribed and Paid up Share Capital of ₹ 5 lac divided into 50,000 equity shares of ₹ 10/- each.

Dividend and Transfer to Reserves

Your Company’s Project cannot be executed in its presented form vide CERC orders dt. 09.05.2013 and 27.09.2013, hence, there is no operating profit.

Particulars of Loans, Guarantees or Investments

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

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

Fixed Deposits

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

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any subsidiaries, joint ventures and associate companies.

Director’s Responsibility Statement

As required under section 134 (3) (c) & 134(5) of the Companies Act, your Directors confirm that:

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis; and

v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

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

Board of Directors

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

None of the Directors is disqualified from being appointed/re-appointed as Director.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, five (5) Board meetings were held on 23.05.2016, 01.08.2016, 09.08.2016, 03.10.2016 and 18.01.2017. The details of number of meetings attended by each Director during the financial year 2016-17 are as under:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>No. of Board Meetings which were entitled to attend during 2016-17</th>
<th>No. of Board Meetings attendance during 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri B. Mishra*</td>
<td>Chairman</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Shri R. K. Srivastava#</td>
<td>Chairman</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Shri Upendra Pande</td>
<td>Director</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Shri V. Sekhar</td>
<td>Director</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

*Resigned w.e.f. 31.07.2016

# elected as Chairman w.e.f. 01.08.2016

Corporate Social Responsibility (CSR)

Since no commercial activity was carried out by the Company, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, exempting the Government Companies to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. As your Company is a Government Company, the information has not been included as a part of Directors’ report.

Statutory Auditors

M/s. Prahalad Khandelwal & Co., Chartered Accountants, Hyderabad were appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

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

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

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

For and on behalf of

POWERGRID Vemagiri Transmission Limited

Place: New Delhi
Date: 21st September, 2017

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796
POWERGRID VEMAGIRI TRANSMISSION LIMITED

Annexure-I to Directors’ Report

POWERGRID VEMAGIRI TRANSMISSION LIMITED

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justification for entering into such contracts or arrangements or transactions’</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Place : New Delhi
Date : 21st September, 2017
I. REGISTRATION AND OTHER DETAILS

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>CIN</th>
<th>Name and Description of main products/services</th>
<th>NIC Code of the Product/service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>U40300DL20011GOI217975</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/services</th>
<th>NIC Code of the Product/service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPNAY</td>
<td>100%</td>
<td>2(87) (ii)</td>
</tr>
</tbody>
</table>

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp</td>
<td>0</td>
<td>49994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Category of Shareholders</td>
<td>No. of Shares held at the beginning of the year</td>
<td>No. of Shares held at the end of the year</td>
<td>% Change during the year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>e) Any Other...</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(2):-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B. Public Shareholding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Central Govt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) State Govt(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) FIIs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (B)(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Non Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Others(Specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (B)(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Public Shareholding (B)=(B)(1)+(B)(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

Notes:
* 6 equity shares held by POWERGRID’s nominees (Individuals) jointly with POWERGRID.
### ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>49994</td>
<td>99.988</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>3.</td>
<td>Shri D. K. Valecha jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>4.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>5.</td>
<td>Shri B. Mishra* jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>6.</td>
<td>Shri Upendra Pande jointly with POWERGRID</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Ms. Seema Gupta jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>8.</td>
<td>Shri A. K. Singhal jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>50000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>Shri B. Mishra*</td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>01</td>
<td>.002</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>2.</td>
<td>Shri Upendra Pande</td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>01</td>
<td>0.012</td>
</tr>
</tbody>
</table>
iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For each of Top ten shareholders</td>
<td>No. of shares</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>-</td>
</tr>
</tbody>
</table>

(v) Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For each of Directors and KMP</td>
<td>No. of shares</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>Shri B. Mishra, Director*</td>
<td>01</td>
</tr>
<tr>
<td>2</td>
<td>Shri R. K. Srivastava, Director</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Shri V. Sekhar, Director</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Shri Upendra Pande, Director#</td>
<td>0</td>
</tr>
</tbody>
</table>

*ceased to be director w.e.f. 31.07.2016
#appointed w.e.f. 01.08.2016
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

<table>
<thead>
<tr>
<th>Description</th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Addition</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Reduction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Change</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
B. Remuneration to other directors:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (B)=(1+2)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>
## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/ Punishment/ Compounding fees imposed</th>
<th>Authority [RD/ NCLT/Court]</th>
<th>Appeal made. If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Other Officers In Default</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Vemagiri Transmission Limited

(Ranjan Kumar Srivastava)
Chairman
DIN: 07338796

Place : New Delhi
Date : 21st September, 2017
Annexure-III to Directors’ Report

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID VEMAGIRI TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Vemagiri Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04 July 2017.

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

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

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

Place: Hyderabad
Dated: 25 July 2017
Balance Sheet as at 31\textsuperscript{st} March, 2017

(Amount in ₹)

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

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

As per our report of even date

For PRAHALAD KHANDELWAL & Co.
ICAI Firm Regn. No. 0027145

Vinod Bajaj
Partner
Membership No. 205343

Place: Secunderabad
Date: 4\textsuperscript{th} July 2017

For and on behalf of Board of Directors

R. K. Srivastava
Chairman

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

(Amount in ₹)

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

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

As per our report of even date
For PRAHALAD KHANDELWAL & Co.
ICAI Firm Regn. No. 0027145
Vinod Bajaj
Partner
Membership No. 205343
Place: Secunderabad
Date : 4th July 2017

For and on behalf of Board of Directors
R. K. Srivastava
Chairman
Upendra Pandey
Director
# Cash Flow Statement

for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>For the year ended 31.03.2017</th>
<th>For the year ended 31.03.2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit/(Loss) as per Profit &amp; Loss A/c</td>
<td>(60,653)</td>
<td>(52,130)</td>
</tr>
<tr>
<td>Adjustment For Increase/Decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current Liabilities</td>
<td>59,021</td>
<td>51,500</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>(1,632)</td>
<td>(630)</td>
</tr>
<tr>
<td><strong>B. CASH FLOW FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Work in Progress</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from Investing Activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>C. CASH FLOW FROM FINANCIAL ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of Share Capital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from Financing Activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>D. NET INCREASE/(DECREASE) IN CASH FLOW (A+B+C)</strong></td>
<td>(1,632)</td>
<td>(630)</td>
</tr>
<tr>
<td><strong>E. CASH &amp; CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</strong></td>
<td>18,665</td>
<td>19,295</td>
</tr>
<tr>
<td><strong>F. CASH &amp; CASH EQUIVALENT AT THE END OF THE YEAR</strong></td>
<td>17,033</td>
<td>18,665</td>
</tr>
</tbody>
</table>

As per our report of even date
For PRAHALAD KHANDELWAL & Co.
ICAI Firm Regn. No. 0027145
Vinod Bajaj
Partner
Membership No. 205343
Place: Secunderabad
Date: 4th July 2017

For and on behalf of Board of Directors
R. K. Srivastava
Chairman
Upendra Pandey
Director
Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

<table>
<thead>
<tr>
<th></th>
<th>(Amount in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>500,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>500,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>500,000</td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th>Share application money pending allotment</th>
<th>Equity component of compound financial instruments</th>
<th>Reserves and Surplus</th>
<th>Other Comprehensive Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Reserve</td>
<td>Securities Premium Reserve</td>
<td>Bond Redemption Reserve</td>
<td>Self Insurance Reserve</td>
<td>CSR Reserve</td>
</tr>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 1st April, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

As per our report of even date
For PRAHALAD KHANDELWAL & Co.
ICAI Firm Regn. No. 0027145
Vinod Bajaj
Partner
Membership No. 205343
Place: Secunderabad
Date: 4th July 2017

For and on behalf of Board of Directors
R. K. Srivastava
Chairman
Upendra Pandey
Director
Notes to Financial Statements

1. Corporate & General Information

Powergrid Vemagiri Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The company is engaged in the business of Power Transmission Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The financial statements of the company for the year ended Mar 31, 2017 were approved for issue by the Board of Directors as on 4th July 2017.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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

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

ii) Basis of Measurement

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

iii) Functional and presentation currency

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

iv) Use of estimates

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

2.2 Property, Plant and Equipment

Measurement on transition to INDAS

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

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.
Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/retired from active use are derecognized.

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

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

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

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

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

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

**De-recognition**

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

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

**2.3 Capital Work-In-Progress (CWIP)**

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

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

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

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

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

**2.4 Intangible Assets and Intangible Assets under development**

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

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

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

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

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.
Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

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

### 2.5 Depreciation / Amortisation

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as Nil.

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

Mobile phones are charged off in the year of purchase.

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

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

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

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

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

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

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

### 2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue

### 2.7 Impairment of non-financial assets, other than inventories

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

### 2.8 Cash and cash equivalents

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

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

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

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

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

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

2.10 Leases

i) As a Lessor

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

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

a) Finance lease

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

b) Operating lease

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

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

ii) As a Lessee

Operating leases

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

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, loans to employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

**De-recognition of financial assets**

A financial asset is derecognized only when

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

**Financial Liabilities**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

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

**Classification, initial recognition and measurement**

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

**Subsequent measurement**

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

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

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

**Offsetting of financial instruments**

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

**2.12 Foreign Currency Translation**

(a) **Functional and presentation currency**

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

(b) **Transactions and balances**

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

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

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest cost are treated as
borrowing cost. Other exchange difference are recognized in the statement of profit and loss.

2.13 Income Tax

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

**Current income tax**

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

**Deferred tax**

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

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

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

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

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

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

2.15 Dividends

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

2.16 Provisions and Contingencies

**a) Provisions**

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

**b) Contingencies**

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and equipment (except assets covered under mega
insurance policy) as at the end of the year by appropriating current year profit to mitigate future losses which may arise from un-insured risks. The same is shown as “Self insurance reserve” under ‘Other equity’.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

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

2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind-AS 7 ‘Statement of Cash Flow’.

3. Critical Estimates and Judgements

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

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

NOTE : 4 CASH AND BANK BALANCES

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31.03.2017</th>
<th>As at 31.03.2016</th>
<th>As at 01.04.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In Current accounts</td>
<td>17,033</td>
<td>18,665</td>
<td>19,295</td>
</tr>
<tr>
<td>Total</td>
<td>17,033</td>
<td>18,665</td>
<td>19,295</td>
</tr>
</tbody>
</table>

Details of Specified Bank Notes

<table>
<thead>
<tr>
<th>Particulars</th>
<th>SBNs</th>
<th>Other denomination notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: Permitted Receipts</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Permitted Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Amount Deposited in Bank</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing cash in hand as on 30.12.2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Note : 5 EQUITY SHARE CAPITAL

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital Authorised</td>
<td>500000.00</td>
<td>500000.00</td>
<td>500000.00</td>
</tr>
<tr>
<td>Issued &amp; subscribed :</td>
<td>500000.00</td>
<td>500000.00</td>
<td>500000.00</td>
</tr>
<tr>
<td>Total</td>
<td>500000.00</td>
<td>500000.00</td>
<td>500000.00</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>Amount in Rupees</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>50,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>50,000</td>
<td>100</td>
<td>50,000</td>
</tr>
</tbody>
</table>

Note : 6 OTHER EQUITY

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves and Surplus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(194,265,208)</td>
<td>(194,213,078)</td>
<td>(194,213,078)</td>
</tr>
<tr>
<td>Add: Additions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax as per Statement of Profit &amp; Loss</td>
<td>(60,653)</td>
<td>(52,130)</td>
<td></td>
</tr>
<tr>
<td>Less: Appropriations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Balance</td>
<td>(194,325,861)</td>
<td>(194,265,208)</td>
<td>(194,213,078)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>(194,325,861)</td>
<td>(194,265,208)</td>
<td>(194,213,078)</td>
</tr>
</tbody>
</table>
Note 7/Other Current Financial Liability

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

**Further Notes:**

Others represents Audit Fees payable

Note 8/Other current liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Total</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>

Note 9/Finance costs

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other finance charges</td>
<td>1,632</td>
<td>630</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,632</td>
<td>630</td>
</tr>
</tbody>
</table>

Note 10/Other expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional charges (Including TA/DA)</td>
<td>11,621</td>
<td>5,700</td>
</tr>
<tr>
<td>Payments to Statutory Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>46,000</td>
<td>45,800</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>1,400</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>59,021</td>
<td>51,500</td>
</tr>
</tbody>
</table>
11. Based on information available with the company, there are no supplier’s/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Principal</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>4.</td>
<td>The amount of interest accrued and remaining unpaid at the end of each accounting year.</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>5.</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

12. GOING CONCERN ASSUMPTION

The company was formed as SPV for execution of Vemagiri Transmission system allocated on Tariff Based Competitive Bidding (TBCB). CERC vide order dated 09.05.2013 and 27.09.2013 interalia stated that Vemagiri Transmission system cannot be executed in its present form. In this scenario, the company may not be able to do further any activity and may cease to be a going concern in near future.

13. The CERC vide its order dated 06th April 2015, had withdrawn their earlier regulatory approval given vide its order dated 13-Dec-2011 since the transmission project is not required to be implemented as there was no enough gas in the KG Basin to supply to the beneficiaries M/s Samalkot Power Ltd., and M/s Spectrum Power generation Limited.

14. As on the date of Balance sheet company does not have any Inventory or own any Property, Plant & Equipment and hence no depreciation provided in the books of accounts.

Further, thought the company in Loss Deferred tax provision has not been made as the company will cease to be a going concern in near future.

15. Fair Value Measurements

(Amount in ₹)

<table>
<thead>
<tr>
<th>Financial instruments by category</th>
<th>31 March 2017</th>
<th>31 March 2016</th>
<th>01 April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised cost</td>
<td>FVOCI</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>-</td>
<td>17,033</td>
<td>-</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>-</td>
<td>17,033</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>1938,38,893</td>
<td></td>
<td>1937,79,873</td>
</tr>
</tbody>
</table>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. Since there is nothing Non-Current as at 31st Mar 2017, 31st Mar 2016 and 31st Mar 2015, nothing has been categorised as Level 1 or Level 2 or Level 3.
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

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

The carrying amount of cash & cash equivalent and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

16. Related party Transactions

(a) Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-2017</td>
</tr>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India- Holding Company</td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) Subsidiaries of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-2017</td>
</tr>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited ##</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

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

(c) Joint Ventures of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Parbat Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
</tbody>
</table>
**POWERGRID VEMAGIRI TRANSMISSION LIMITED**

**Proportion of Ownership Interest**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>31- Mar- 17</th>
<th>31- Mar- 16</th>
<th>01-Apr-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal &quot; JV of Holding</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

(d) **Key Management Personnel**

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

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

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

(Amount in Rupees)

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

17. **Segment Information**

**Business Segment**

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

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

18. **Capital and other Commitments**

(Amount in Rupees)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2017</th>
<th>As at March 31, 2016</th>
<th>As at April 01, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

19. **Contingent Liabilities and contingent assets**

**Contingent Liabilities**

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

20. **Earnings per share**

(Amount in Rupees)

(a) Basic and diluted earnings per share attributable to the equity holders of the company

<table>
<thead>
<tr>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations</td>
<td>(1.21)</td>
</tr>
<tr>
<td>Total basic &amp; diluted earnings per share attributable to the equity holders of the company</td>
<td>(1.21)</td>
</tr>
</tbody>
</table>
(Amount in ₹)

<table>
<thead>
<tr>
<th>(b) Reconciliation of earnings used in calculating earnings per share</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company</td>
<td>(60653)</td>
<td>(52130)</td>
</tr>
<tr>
<td>Total Earnings attributable to the equity holders of the company</td>
<td>(60653)</td>
<td>(52130)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(c) Weighted average number of shares used as the denominator</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments for calculation of diluted earnings per share</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>50,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

21. **Employee Benefit Obligations**

The company not employed any employee hence, does not have any employee related benefit obligations.

22. **Recent Accounting Pronouncements:**

**Standard issued but not yet effective**

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

**Amendment to Ind AS 7 ‘Statement of cash flows’:**

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

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

**Transition to IND AS**

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

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

24. The previous year figures have been reclassified/re-grouped to conform to the current year’s classification.

As per our report of even date

For PRAHALAD KHANDELWAL & Co.
ICAI Firm Regn. No. 0027145

Vinod Bajaj
Partner
Membership No. 205343
Place: Secunderabad
Date: 4th July 2017

For and on behalf of Board of Directors

R. K. Srivastava
Chairman
Upendra Pandey
Director
INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF POWER GRID VEMAGIRI TRANSMISSION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Power Grid Vemagiri Transmission Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the
year ended 31st March 2015 dated 10th May 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

**Emphasis of Matter**

There are no matters of emphasis to be reported.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure ‘1’** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

3. As required by section 143 (3) of the Act, we report that:
   
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   
   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   
   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
   
   e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
   
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure ‘3’**.
   
   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company is not having any pending litigation hence disclosure to the same has not been disclosed;
   
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
   
   iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company.

**For PRAHALAD KHANDELWAL & Co**

Chartered Accountants
Firm Reg No: 002714S

Vinod Bajaj
(Partner)
Membership No.: 205343

Place: Secunderabad
Date: 04th July, 2017
Annexure-1

In Terms of The Companies (Auditor’s Report) Order 2016 (Hereinafter be called as “The Order”), issued by the Central Government in terms of Section 143(11) of the Act, our comments in respect of Power Grid Vemagiri Transmission Limited on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable is as follows:

<table>
<thead>
<tr>
<th>Clauses of CARO Report, 2016</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</td>
<td>Not applicable since the company does not own any fixed assets exists on the date of balance sheet.</td>
</tr>
<tr>
<td>(b) Whether these fixed assets have been physically verified by the management at reasonable intervals;</td>
<td>Not applicable since the company does not own any fixed assets exists on the date of balance sheet.</td>
</tr>
<tr>
<td>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;</td>
<td></td>
</tr>
<tr>
<td>(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;</td>
<td>Not applicable since the company does not own any fixed assets exists on the date of balance sheet.</td>
</tr>
<tr>
<td>(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;</td>
<td>Not applicable since the company does not own any inventory during the current financial year.</td>
</tr>
<tr>
<td>(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,</td>
<td>According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable.</td>
</tr>
<tr>
<td>(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>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.</td>
</tr>
<tr>
<td>(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?</td>
<td>According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.</td>
</tr>
<tr>
<td>(vi) Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported.</td>
<td>According to information and explanations given to us, there is no such default.</td>
</tr>
</tbody>
</table>

(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.)
<p>| (vii) | Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained | The Provisions of the clause (vi) of the Order, relating to maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable since the Company’s turnover or Net Worth of the Company as the case may be has not exceeded ₹ 500.00 Crores during the current year |
| (viii) | 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. | According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. |
| (b) | Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute). | According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. |
| (ix) | Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported; | Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). |
| (x) | Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same; | The company has not provided for any Managerial Remuneration for the year 2016-2017. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company except costs allocated by the Holding Company based on the time spent. Accordingly the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (x) of the Order is not applicable to the Company |</p>
<table>
<thead>
<tr>
<th>Clauses of CARO Report, 2016</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(xi) Whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;</td>
<td>According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</td>
</tr>
<tr>
<td>(xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(xiii) Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;</td>
<td>According to the information and explanations given to us, there is no such case.</td>
</tr>
<tr>
<td>(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;</td>
<td>All transactions with the “Related Parties” in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.</td>
</tr>
<tr>
<td>(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;</td>
<td>According to the information and explanations given to us, there is no such case.</td>
</tr>
<tr>
<td>(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.</td>
<td>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.</td>
</tr>
</tbody>
</table>
Annexure-2


Specific Areas Examined During The Course Of Audit Of Annual Accounts Of Powergrid Vemagiri Transmission Limited For The Year Ended 31st March 2017, In Terms Of The Directions / Sub-Directions Issued To Us:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Management’s Reply</th>
<th>Statutory Auditors’ Reply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the Company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings / flats for which title /lease deeds are not available.</td>
<td>Not applicable as the company does not possess any land as on the date of balance sheet.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td></td>
<td>Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.</td>
<td>There were no cases of waiver of debts / loans / interest etc. during the financial year.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td></td>
<td>Whether proper records are maintained for inventories lying with third parties &amp; assets received as gift, grant(s) from Govt. or other authorities.</td>
<td>There are no inventories lying with the third parties. There are also no assets received as gift from Government or other Authorities.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td></td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>The Company has not held / dealt with specified Bank Notes (SBN) during the said period.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
</tbody>
</table>

For PRAHALAD KHANDELWAL & Co
Chartered Accountants
Firm Reg No: 002714S

Vinod Bajaj
(Partner)
Membership No.:205343

Place: Secunderabad
Date: 04th July, 2017
As referred to in our Independent Auditors’ Report to the members of the Power Grid Vemagiri Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017.

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

We have audited the internal financial controls over financial reporting of the company as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls over Financial Reporting

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on “the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For PRAHALAD KHANDELWAL & Co
Chartered Accountants
Firm Reg No: 002714S

Vinod Bajaj
(Partner)
Membership No.:205343

Place: Secunderabad
Date: 04th July, 2017
NOTICE

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

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

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

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

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

By order of the Board
For POWERGRID Unchahar Transmission Limited
Sd/-
Shwetank Kumar
(Company Secretary)

Place:
Date: 15th September, 2017
Registered Office: POWERGRID Unchahar Transmission Limited Company,
i.e. B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016

NOTES:
1. A statement pursuant to section 102(1) of the Companies Act, 2013, in respect of the special business to be transacted at the meeting under item no. 4 is annexed hereto.
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
4. POWERGRID Unchahar Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 ("the Act"). Pursuant to the section 139(5) of the Act, the auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 4th Annual General Meeting held on 29th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the financial year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 50,000/- (Rupees Fifty Thousand Only) plus service tax as applicable and local travel expenses and other incidental out of pocket expenses.
Further, the members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the year 2017-18, after taking into consideration the volume of work and prevailing inflation.

Annexure to Notice

EXPLANATORY STATEMENT

Item No. 4

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

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

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

Shri Atul Trivedi holds Nil equity share in the Company.

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

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

By order of the Board
For POWERGRID Unchahar Transmission Limited

Sd/-
Shwetank Kumar
(Company Secretary)

Place: New Delhi
Date: 15th September, 2017
DIRECTORS’ REPORT

To,

Dear Members,


POWERGRID Unchahar Transmission Limited (PUTL) was acquired/taken over by POWERGRID on March 24, 2014 under Tariff based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for ATS of Unchahar TPS on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, PUTL became wholly owned subsidiary of POWERGRID. The Transmission System comprising 400 kV D/C line is to traverse the state of Uttar Pradesh. The Company has been granted transmission license by CERC in July, 2014 and the adoption of transmission charges was also notified by CERC in July, 2014. The Project has been commissioned on 01.10.2016.

Financial Performance

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

Share Capital

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

Dividend and Transfer to Reserves

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

Particulars of Loans, Guarantees or Investments

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

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

Fixed Deposits

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

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any subsidiaries, joint ventures and associate companies.

Director’s Responsibility Statement

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

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis; and

v. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

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

As on 31st March, 2017, the Board comprised four Directors viz. Shri Ravi P. Singh, Shri D.K. Valecha, Shri S. Vaithilingam and Shri Ajoy Kumar Sinha. Shri Prabhakar Singh ceased to be Director of the Company w.e.f. 11.08.2016. Further, Shri Ajoy Kumar Sinha has also ceased to be Director on the Board of the Company w.e.f. 31.07.2017 on attaining the age of superannuation. In his place, Shri Atul Trivedi, Executive Director (NR-III) has been nominated by POWERGRID as Director on the Board of the Company.

In accordance with the provisions of the Companies Act, 2013, Shri S. Vaithilingam shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offer himself for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

**Number of Board meetings during the year**

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

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Ravi P. Singh</td>
<td>Chairman</td>
<td>13</td>
</tr>
<tr>
<td>Shri D. K. Valecha</td>
<td>Director</td>
<td>12</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>13</td>
</tr>
<tr>
<td>Shri Prabhakar Singh*</td>
<td>Director</td>
<td>02</td>
</tr>
<tr>
<td>Shri Ajoy Kumar Sinha†</td>
<td>Director</td>
<td>02</td>
</tr>
</tbody>
</table>

* ceased to be director w.e.f. 11.08.2016
# appointed w.e.f. 16.08.2016

**Corporate Social Responsibility (CSR)**

Your Company’s Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to your Company.

**Particulars of Employees**

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors’ report.

**Statutory Auditors**

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

**Comptroller and Auditor General’s (C&AG) Comments**

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

**Acknowledgement**

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

For and on behalf of
For POWERGRID Unchahar Transmission Limited

Ravi P. Singh
Chairman
DIN: 05240974

Place: New Delhi
Date: 15th September, 2017
### Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>S I. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Justification for entering into such contracts or arrangements or transactions</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

### Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>S I. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>Power Grid Corporation of India Limited (POWERGRID) [holding company on and from 24.03.2014]</td>
</tr>
<tr>
<td></td>
<td>Nature of contracts/arrangements/transaction</td>
<td>Part (A): to take any security(ies) / guarantee(s) in connection with loan(s) and/or avail Inter corporate loan(s) on cost to cost basis upto an amount of ₹ 90 crore from POWERGRID. Part (B): to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable. Part (C): to avail services of POWERGRID for undertaking Operation &amp; Maintenance activities of the assets owned by the Company.</td>
</tr>
<tr>
<td></td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>Part (A): As mutually agreed. Part (B): Commissioning of the project including associated reconciliation activities. Part (C): As mutually agreed.</td>
</tr>
<tr>
<td></td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>Refer (b)</td>
</tr>
<tr>
<td></td>
<td>Date of approval by the Board</td>
<td>13.08.2014 [for Part (A)], 04.04.2016 [for Part (B)], 23.12.2016 [for Part (C)].</td>
</tr>
<tr>
<td></td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
</tbody>
</table>

For and on behalf of
For POWERGRID Unchahar Transmission Limited

Ravi P. Singh
Chairman
DIN: 05240974

Place: New Delhi
Date: 15th September, 2017
### I. REGISTRATION AND OTHER DETAILS:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td>CIN</td>
</tr>
<tr>
<td>ii.</td>
<td>Registration Date</td>
</tr>
<tr>
<td>iii.</td>
<td>Name of the Company</td>
</tr>
<tr>
<td>iv.</td>
<td>Category/ Sub-Category of the Company</td>
</tr>
<tr>
<td>v.</td>
<td>Address of the Registered office and contact details</td>
</tr>
<tr>
<td>vi.</td>
<td>Whether listed company</td>
</tr>
<tr>
<td>vii.</td>
<td>Name, Address and Contact details of Registrar and Transfer Agent, if any</td>
</tr>
</tbody>
</table>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/ services</th>
<th>NIC Code of the Product/ service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and address of the Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED*</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

*HOLDING COMPANY ON & FROM 24.04.2015.

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6</td>
<td>6*</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp</td>
<td>0</td>
<td>49994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Category of Shareholders</td>
<td>No. of Shares held at the beginning of the year</td>
<td>No. of Shares held at the end of the year</td>
<td>% Change during the year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>k) Any Other...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (A)(2):-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Public Shareholding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Central Govt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) State Govt(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) FIIs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (B)(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Non-Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Others (Specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (B)(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Public Shareholding (B) = (B)(1)+ (B)(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

Notes:
* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID
ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder's Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
<th>% change in shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
<td>% of Shares Pledged / encumbered to total shares</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>49994</td>
<td>99.988</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01</td>
<td>0.012</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Ranjan Kumar Srivastava jointly with POWERGRID</td>
<td>01</td>
<td>0.012</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Ravi P. Singh jointly with POWERGRID</td>
<td>01</td>
<td>0.012</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R.P. Sasmal jointly with POWERGRID</td>
<td>01</td>
<td>0.012</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Shri D.K. Valecha jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>50000</strong></td>
<td><strong>100</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Power Grid Corporation of India Limited</td>
<td>No. of shares</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):

(i) On 02.06.2016 30,00,000 shares
(ii) On 04.10.2016 1597350 Shares
(iii) On 27.12.2016 4999992 shares
(iv) On 24.01.2017 3313725 shares

At the End of the year 12961061 100 12961061 100
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Top ten shareholders</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the beginning of the year</td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):</td>
</tr>
<tr>
<td>2.</td>
<td>Shri R. T. Agarwal</td>
<td>01* 0.12 0 0</td>
<td>On 13.05.2016 0</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Ranjan Kumar Srivastava</td>
<td>0 0 01* 0.012</td>
<td>On 13.05.2016 01 01 0.012</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Top ten shareholders</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the beginning of the year</td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the End of the year</td>
<td>-</td>
</tr>
</tbody>
</table>

v. Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Directors and KMP</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the beginning of the year</td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):</td>
</tr>
<tr>
<td>1</td>
<td>Shri Ravi P. Singh, Chairman</td>
<td>01* 0.000 01* 0.000</td>
<td>At the beginning of the year 01* 0.000</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>For each of Directors and KMP</td>
<td>Shareholding at the beginning of the year</td>
<td>Cumulative Shareholding during the year</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------</td>
<td>------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>2</td>
<td>Shri D. K. Valecha, Director</td>
<td>At the beginning of the year</td>
<td>01* 0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the End of the year</td>
<td>01* 0.00</td>
</tr>
<tr>
<td>3</td>
<td>Shri S. Vaithilingam, Director</td>
<td>At the beginning of the year</td>
<td>01* 0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the End of the year</td>
<td>01* 0.00</td>
</tr>
<tr>
<td>4</td>
<td>Shri Ajoy Kumar Sinha#, Director</td>
<td>At the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the End of the year</td>
<td>-</td>
</tr>
</tbody>
</table>

*equity share held jointly with POWERGRID
#appointed w.e.f.16.08.2016

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

<table>
<thead>
<tr>
<th></th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td>544,365,228</td>
<td>544,365,228</td>
<td>544,365,228</td>
<td></td>
</tr>
<tr>
<td>- Addition</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Reduction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Change</td>
<td>544,365,228</td>
<td>-</td>
<td>544,365,228</td>
<td></td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td>544,365,228</td>
<td>544,365,228</td>
<td>544,365,228</td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>544,365,228</td>
<td>-</td>
<td>544,365,228</td>
<td></td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>2,542,2181</td>
<td>-</td>
<td>2,542,2181</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>569,787,409</td>
<td>-</td>
<td>569,787,409</td>
<td></td>
</tr>
</tbody>
</table>
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Remuneration to other directors (Not Applicable):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (B)=(1+2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/ Punishment/ Compounding fees imposed</th>
<th>Authority [RD/ NCLT/Court]</th>
<th>Appeal made. If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>B.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>C.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other Officers In Default</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

For and on behalf of
For POWERGRID Unchahar Transmission Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Place: New Delhi
Date: 15th September, 2017
Annexure-III to Directors’ Report

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 1436)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID UNCHAHAR TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Unchahar Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company.

The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by tyre vide their revised Audit Report dated 11 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Unchahar Transmission Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors’ report.

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

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

Place: New Delhi
Dated: 25th August, 2017
Balance Sheet as at 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant And Equipment</td>
<td>4</td>
<td>707157989</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(b) Capital Work-In-Progress</td>
<td>5</td>
<td>0</td>
<td>425202743</td>
<td>29993164</td>
</tr>
<tr>
<td>(c) Deferred tax Asset</td>
<td>6</td>
<td>280424</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(d) Other Non-Current Assets</td>
<td>7</td>
<td>5800000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cash And Cash Equivalents</td>
<td>8</td>
<td>71631817</td>
<td>41952</td>
<td>19150</td>
</tr>
<tr>
<td>(ii) Other Current Financial Assets</td>
<td>9</td>
<td>12707452</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share capital</td>
<td>10</td>
<td>129610670</td>
<td>500000</td>
<td>500000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>11</td>
<td>-591577</td>
<td>-23851</td>
<td>-23851</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>12</td>
<td>544365228</td>
<td>261192266</td>
<td>0</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Financial Liability</td>
<td>13</td>
<td>120474200</td>
<td>162035616</td>
<td>29516165</td>
</tr>
<tr>
<td>(b) Other Current Liabilities</td>
<td>14</td>
<td>3719161</td>
<td>1540664</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 33) form an integral part of financial statements.
## Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Revenue From Operations</td>
<td>15</td>
<td>40827814</td>
<td>0</td>
</tr>
<tr>
<td>II Other Income</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>III Total Income (I+II)</strong></td>
<td></td>
<td>40827814</td>
<td>0</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>16</td>
<td>19616256</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation and amortization expenses</td>
<td>17</td>
<td>19121241</td>
<td>0</td>
</tr>
<tr>
<td>Other expenses</td>
<td>18</td>
<td>2938467</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total expenses (IV)</strong></td>
<td></td>
<td>41675964</td>
<td>0</td>
</tr>
<tr>
<td><strong>V Profit &amp; Loss before Tax (III-IV)</strong></td>
<td></td>
<td>-848150</td>
<td>0</td>
</tr>
<tr>
<td><strong>VI Tax expense:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax</td>
<td></td>
<td>-280424</td>
<td>0</td>
</tr>
<tr>
<td><strong>VII Profit/Loss for the period (V-VI)</strong></td>
<td></td>
<td>-567726</td>
<td>0</td>
</tr>
<tr>
<td>VIII Other Comprehensive Income</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>IX Total comprehensive income for the period (VII+VIII)</strong></td>
<td></td>
<td>-567726</td>
<td>0</td>
</tr>
</tbody>
</table>

Earning Per Equity Share (Par Value ₹ 10/- each)

Basic & Diluted: -0.10 0.00

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

In terms of our report of even date

For Batra Sapra & Co
Chartered Accountants
ICAI Firm Registration No. 000103N

For and on behalf of Board

Amrit Lal Batra
Partner
Membership No. 016929

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

S. Vaithilingam
Director
DIN: 07107854

A K Shukla
CFO

Shwetank Kumar
Company Secretary

Place: New Delhi
Date: 27th June, 2017
Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit/Loss before Tax</td>
<td>(848150)</td>
<td>-</td>
</tr>
<tr>
<td>add: Depreciation</td>
<td>19121241</td>
<td>-</td>
</tr>
<tr>
<td>add: interest expense</td>
<td>19616256</td>
<td>-</td>
</tr>
<tr>
<td>Operating Profit/Loss before Working Capital Changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>37889347</td>
<td>-</td>
</tr>
<tr>
<td><strong>A. Adjustments for Increase/Decrease in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other Current Financial Assets</td>
<td>(12707452)</td>
<td>-</td>
</tr>
<tr>
<td>- Other Current Liabilities</td>
<td>(39382919)</td>
<td>134060115</td>
</tr>
<tr>
<td>- Other Non-Current Assets-Advance Tax paid</td>
<td>(5800000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash Generated from Operations</strong></td>
<td>(57890371)</td>
<td>134060115</td>
</tr>
<tr>
<td><strong>(B) Cash Flow from Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Plant and Equipment and Capital Work in Progress</td>
<td>(301076487)</td>
<td>(395229579)</td>
</tr>
<tr>
<td><strong>Net Cash Used in investing activity</strong></td>
<td>(301076487)</td>
<td>(395229579)</td>
</tr>
<tr>
<td><strong>(C) Cash Flow from Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Equity Share Capital</td>
<td>129110670</td>
<td>-</td>
</tr>
<tr>
<td>- Loans obtained during the year</td>
<td>283172962</td>
<td>261192266</td>
</tr>
<tr>
<td>- Interest Expense</td>
<td>(19616256)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash from Financing Activities</strong></td>
<td>392267376</td>
<td>261192266</td>
</tr>
<tr>
<td><strong>Net Increase/ Decrease in Cash Flow</strong></td>
<td>71589865</td>
<td>22802</td>
</tr>
<tr>
<td><strong>(D) Cash and Cash Equivalents (Opening Balance)</strong></td>
<td>41952</td>
<td>19150</td>
</tr>
<tr>
<td><strong>(E) Net change in Cash and cash Equivalents</strong></td>
<td>71589865</td>
<td>22802</td>
</tr>
<tr>
<td><strong>(F) Cash and Cash Equivalents (Closing Balance)</strong></td>
<td>71631817</td>
<td>41952</td>
</tr>
</tbody>
</table>

In terms of our report of even date

For Batra Sapra & Co
Chartered Accountants
ICAI Firm Registration No. 000103N

For and on behalf of Board

Amrit Lal Batra
Partner
Membership No. 016929

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

S. Vaithilingam
Director
DIN: 07107854

A K Shukla
CFO

Shwetank Kumar
Company Secretary

Place: New Delhi
Date: 27th June, 2017
### Statement of Changes in Equity for the Year ended 31st March, 2017

#### A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>500000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>0</td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>500000</td>
</tr>
<tr>
<td>As at 1st March, 2017</td>
<td>129110670</td>
</tr>
</tbody>
</table>

#### B. Other Equity

<table>
<thead>
<tr>
<th></th>
<th>Share application money pending allotment</th>
<th>Equity component of compound financial instruments</th>
<th>Capital Reserve</th>
<th>Securities Premium Reserve</th>
<th>Bond Redemption Reserve</th>
<th>Self Insurance Reserve</th>
<th>CSR Reserve</th>
<th>General Reserve</th>
<th>Retained Earnings</th>
<th>Fair Value through Other Comprehensive Income Equity Investment</th>
<th>Other items of Other Comprehensive Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
</tr>
<tr>
<td>Balance at 1st April, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-23851</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>567726</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>567726</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-91577</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-91577</td>
</tr>
</tbody>
</table>

In terms of our report of even date

**For Batra Sapra & Co**  
Chartered Accountants  
ICAI Firm Registration No. 000103N

**For and on behalf of Board**

Amrit Lal Batra  
Partner  
Membership No. 016929

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

A K Shukla  
CFO

S. Vaithilingam  
Director  
DIN: 07107854

Shwetank Kumar  
Company Secretary

Place: New Delhi  
Date: 27th June, 2017
Notes to Financial Statements

1. Corporate and General Information
M/s POWERGRID Unchaar Transmission Limited (“the Company”) is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016. It is principally engaged in implementation, operation and maintenance of Transmission Lines & Sub-Stations.

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

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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

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

ii) Basis of Measurement

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

iii) Functional and presentation currency

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

iv) Use of estimates

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

2.2 Property, Plant and Equipment

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101 ‘First-time Adoption of Indian Accounting Standards’.

Initial Recognition and Measurement

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

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

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/inspection component was when the item was acquired or inspection was carried out.
In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

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

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

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

2.4 Depreciation / Amortisation

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3</td>
</tr>
<tr>
<td>b. Servers &amp; Network Computers</td>
<td>5</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as nil.

Mobile phones are charged off in the year of purchase.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

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

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

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

Fixed Assets costing ₹ 5,00,000/- or less, are fully depreciated in the year of acquisition.

2.5 Borrowing Costs

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

Other borrowing costs are charged to revenue.
2.6 Impairment of non-financial assets, other than inventories

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

2.7 Cash and cash equivalents

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

2.8 Inventories

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

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

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

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

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

2.9 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

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

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

Offsetting of financial instruments

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

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

2.10 Income Tax

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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

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

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

2.11 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

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

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

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

2.12 Dividends

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

a) Provisions

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

b) Contingencies

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

2.14 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under mega insurance policy as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks. The same is shown as “Self insurance reserve” under ‘Other equity’.

2.15 Prior Period Items

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

2.16 Earnings per Share

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

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

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

2.17 Cash Flow Statement

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

3. Critical Estimates and Judgements

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

Critical Estimate and Judgments are required in the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company’s and that are believed to be reasonable under the circumstances.
### Note 4/Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cost</th>
<th>Accumulated depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2016</td>
<td>As at 31st March, 2017</td>
<td>As at 31st March, 2017</td>
</tr>
<tr>
<td></td>
<td>Additions during the year</td>
<td>Disposal during the year</td>
<td>Adjustment during the year</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>0</td>
<td>726279230</td>
<td>0</td>
</tr>
<tr>
<td>Transmission Line</td>
<td>0</td>
<td>726279230</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>726279230</td>
<td>0</td>
</tr>
<tr>
<td>Previous Year Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
### Note 5/Capital work in progress

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

### Note 5/Capital work in progress (Contd.)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission</td>
<td>0</td>
<td>338610728</td>
<td>0</td>
<td>0</td>
<td>338610728</td>
<td>0</td>
</tr>
<tr>
<td>Expenditure during construction period(Net)</td>
<td>29973164</td>
<td>9353925</td>
<td>0</td>
<td>0</td>
<td>39327089</td>
<td>29973164</td>
</tr>
<tr>
<td>Total</td>
<td>29973164</td>
<td>347964653</td>
<td>0</td>
<td>0</td>
<td>377937817</td>
<td>29973164</td>
</tr>
<tr>
<td>Construction Stores (Net of Provision)</td>
<td>0</td>
<td>47264926</td>
<td>0</td>
<td>0</td>
<td>47264926</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>29973164</td>
<td>395292579</td>
<td>0</td>
<td>0</td>
<td>425202743</td>
<td>29973164</td>
</tr>
</tbody>
</table>

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

### Note 5/Capital work-in-progress (Contd.)

**(Details of Construction stores) (At Cost)**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conductors</td>
<td>0</td>
<td>47264926</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0</td>
<td>47264926</td>
<td>0</td>
</tr>
<tr>
<td>Material with Contractors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conductors</td>
<td>0</td>
<td>47264926</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>47264926</td>
<td>0</td>
</tr>
</tbody>
</table>

### Note 6/Deferred tax Asset

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Asset</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation difference on Property Plant and Equipment</td>
<td>280424</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>280424</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Movement in Deferred Tax asset

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Depreciation Difference in Property Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AS at 1st April 2015</strong></td>
<td></td>
</tr>
<tr>
<td>Charged/ (Credited) to</td>
<td></td>
</tr>
<tr>
<td>Profit or Loss</td>
<td></td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td></td>
</tr>
<tr>
<td><strong>AS at 31st March 2016</strong></td>
<td></td>
</tr>
<tr>
<td>Charged/ (Credited) to</td>
<td></td>
</tr>
<tr>
<td>Profit or Loss</td>
<td></td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td></td>
</tr>
<tr>
<td><strong>AS at 31st March 2017</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note 7/Other non-current Assets
(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 31st March, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances recoverable in cash or in</td>
<td>5800000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>kind or for value to be received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance tax and Tax deducted at</td>
<td>5800000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>source</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5800000</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Note 8/Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 31st March, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-In Current accounts</td>
<td>71631817</td>
<td>41952</td>
<td>19150</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>71631817</strong></td>
<td><strong>41952</strong></td>
<td><strong>19150</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing cash on hand as on 08.11.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash on hand as on 30.12.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

Note 9/Other Current Financial Assets
(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unbilled Revenue*</td>
<td>12707452</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12707452</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Further notes:
*Unbilled revenue represent transmission charges for the month of March in the financial year amounting to ₹ 12707452 (Previous year Nil) billed to beneficiaries in the month of April of subsequent financial year.
Note 9/Equity Share capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>14000000 (Previous year 5000000) equity share of ₹ 10/- each</td>
<td>14000000</td>
<td>5000000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td>12961067 (Previous Year 50000) equity shares of ₹ 10/-each at par fully paid up</td>
<td>12961067</td>
<td>500000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>12961067</td>
<td>500000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>12911067</td>
<td>12911067</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>12961067</td>
<td>12961067</td>
</tr>
</tbody>
</table>

2) The Company has only one class of equity shares having a per value of ₹ 10/- per share.
3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.
4) Shareholders holding more than 5% equity shares of the Company.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>12961067</td>
<td>100%</td>
<td>50000</td>
</tr>
</tbody>
</table>

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

Note 11/Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>-23851</td>
<td>-23851</td>
<td>-23851</td>
</tr>
<tr>
<td>Add : Net Profit for the period</td>
<td>-567726</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>-591577</td>
<td>-23851</td>
<td>-23851</td>
</tr>
</tbody>
</table>

Note 12/ Borrowings

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan From Powergrid</td>
<td>544365228</td>
<td>261192266</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>544365228</td>
<td>261192266</td>
<td>0</td>
</tr>
</tbody>
</table>

Note:
The inter corporate loan is provided by the holding company at the rate which varies from 7.20% to 8.40% for a period of 10 to 20 year repayable after a moratorium of 3 to 5 years.
Note 13/Other Current Financial Liability

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest accrued but not due on Loan from POWERGRID</td>
<td>25422181</td>
<td>6342521</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Dues for capital expenditure</td>
<td>6173613</td>
<td>89756600</td>
<td>0</td>
</tr>
<tr>
<td>ii) Payable to POWERGRID (Holding Co.)</td>
<td>35205498</td>
<td>4179896</td>
<td>29453749</td>
</tr>
<tr>
<td>iii) Deposits/Retention money from contractors and others</td>
<td>53661672</td>
<td>61693113</td>
<td>0</td>
</tr>
<tr>
<td>iv) Others</td>
<td>11236</td>
<td>63486</td>
<td>62416</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12047420</strong></td>
<td><strong>162035616</strong></td>
<td><strong>29516165</strong></td>
</tr>
</tbody>
</table>

Further Notes:
Disclosures with regard to Micro and Small enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note No 20.

Note 14/Other current liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>3719161</td>
<td>1540664</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3719161</strong></td>
<td><strong>1540664</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Note 15/Revenue from operations

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Charges</td>
<td>40827814</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40827814</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Note 16/Finance costs

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

Note 17/Depreciation and amortization expense

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>19121241</td>
<td>0</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction(Net)-Note 19</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19121241</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
### Note 18/Other expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Repair &amp; Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Machinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission lines</td>
<td>1314985</td>
<td>1483175</td>
</tr>
<tr>
<td>Professional charges (Including TA/DA)</td>
<td>31899258</td>
<td>894</td>
</tr>
<tr>
<td>Bank Charges</td>
<td></td>
<td>263191</td>
</tr>
<tr>
<td>Tender Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payments to Statutory Auditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>57750</td>
<td>58070</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>33137</td>
<td></td>
</tr>
<tr>
<td>CERC petition &amp; Other charges</td>
<td>1500000</td>
<td>500000</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>326</td>
<td>1350</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>15974</td>
<td></td>
</tr>
<tr>
<td>Other charges</td>
<td>16871</td>
<td>2306680</td>
</tr>
<tr>
<td><strong>Less: Transferred to Expenditure during Construction (Net) - Note 19</strong></td>
<td>31899834</td>
<td>2306680</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2938467</td>
<td>0</td>
</tr>
</tbody>
</table>

### Note 19/Expenditure during Construction (Net)

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
</table>
| Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:  
Principal Interest                                | Nil          | Nil           |
| The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | Nil          | Nil           |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | Nil          | Nil           |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | Nil          | Nil           |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | Nil          | Nil           |
21. There are no employees on the payroll of the company.

22. Figures have been regrouped/reclassified wherever necessary

23. a) Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

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

24. Borrowing cost capitalised during the year is ₹ 1,97,24,038 (previous year ₹ 70,47,245) as per Ind AS 23- "Borrowing Costs".

25. Related party Transactions

a) List of Holding Co.

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India</td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) List of Fellow Subsidiaries Co. (Subsidiary Co. of Holding Co.)

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited *</td>
<td>India</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of Business /Country of Incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Teesta Valley Power Transmission Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India</td>
<td>NA</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India</td>
<td>NA</td>
</tr>
</tbody>
</table>
(d) **List of Key Management Personnel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri. Ravi P Singh</td>
<td>Chairman &amp; Director</td>
</tr>
<tr>
<td>Shri. D. K. Varlecha</td>
<td>Director</td>
</tr>
<tr>
<td>Shri. A. K. Sinha</td>
<td>Director</td>
</tr>
<tr>
<td>Shri. S. Vaithilingam</td>
<td>Director</td>
</tr>
<tr>
<td>Sri A. K. Rai</td>
<td>CEO</td>
</tr>
<tr>
<td>Sri A. K. Shukla</td>
<td>CFO</td>
</tr>
<tr>
<td>Sri Shwetank Kumar</td>
<td>Company Secretary</td>
</tr>
</tbody>
</table>

(e) **Transactions with related parties**

The following transactions occurred with related parties:

(Amount in ₹)

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

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

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

(Amount in ₹)

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

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

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>12,91,10,670</td>
<td>NIL</td>
<td>5,00,000</td>
</tr>
</tbody>
</table>

(h) **Loans from related parties**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans from Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>54,43,65,228</td>
<td>26,11,92,266</td>
<td>0.00</td>
</tr>
</tbody>
</table>
130 Annual Report 2016-17 Subsidiaries’ Accounts

(i) Interest on Loan

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>3,93,40,294</td>
<td>70,47,245</td>
</tr>
</tbody>
</table>

(j) Interest accrued on Loan

<table>
<thead>
<tr>
<th>Loans from Holding Company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>2,54,22,181</td>
<td>63,42,521</td>
<td>0</td>
</tr>
</tbody>
</table>

26. Capital and other Commitments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2017</th>
<th>As at March 31, 2016</th>
<th>As at April 01, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</td>
<td>NIL</td>
<td>48,59,00,000</td>
<td>NIL</td>
</tr>
</tbody>
</table>

27. Contingent Liabilities and contingent assets

Contingent Liabilities

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

28. Earnings per share

(a) Basic and diluted earnings per share attributable to the equity holders of the company

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations including movement in Regulatory deferral balances</td>
<td>(0.10)</td>
<td>-</td>
</tr>
<tr>
<td>From Continuing Operations excluding movement in Regulatory deferral balances</td>
<td>(0.10)</td>
<td>-</td>
</tr>
<tr>
<td>From Discontinued Operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total basic diluted earnings per share attributable to the equity holders of the company</td>
<td>(0.10)</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) Reconciliation of earnings used in calculating earnings per share

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances</td>
<td>(5,67,726)</td>
<td>-</td>
</tr>
<tr>
<td>Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances</td>
<td>(5,67,726)</td>
<td>-</td>
</tr>
<tr>
<td>From Discontinued Operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Earnings attributable to the equity holders of the company</td>
<td>(5,67,726)</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) Weighted average number of shares used as the denominator

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>56,96,849</td>
<td>50,000</td>
</tr>
<tr>
<td>Adjustments for calculation of diluted earnings per share</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>56,96,849</td>
<td>50,000</td>
</tr>
</tbody>
</table>

29. Segment Reporting

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

a) Risk Management

The company’s objectives when managing capital are to

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

For the purpose of the company’s capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The company Debt-equity ratio is 81:19

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

b) Dividends

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

31. Financial Risk Management

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

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

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

a) Credit risk,

b) Liquidity risk,

c) Market risk.

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

A) Credit Risk

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

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

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

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments.

CERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of surcharge on delayed payment beyond 60 days. A graded rebate is provided by the Company for payments made within 60 days.

(ii) Other Financial Assets (excluding trade receivables)

- Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 71631817 (31 March 2016: ₹ 41952, 1 April, 2015: ₹ 19150). The cash and cash equivalents are held with public sector banks and do not have any significant credit risk.
• Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

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

• Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses
The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

(b) Financial assets for which loss allowance is measured using life time expected credit losses
In respect of trade receivables customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

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

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

(c) Ageing analysis of trade receivables
There are no trade receivables as on reporting date, therefore ageing analysis of the trade receivables is not required.

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

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

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

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

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

C) Market risk

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

i. Currency risk

ii. Interest rate risk

i) Currency risk

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

ii) Interest rate risk

The Company is not exposed to any interest rate risk as it does not have any long term loans and borrowings with floating interest rates.

32. Fair Value Measurement

<table>
<thead>
<tr>
<th>Financial Instruments by category</th>
<th>FVOCI</th>
<th>Amortised cost</th>
<th>FVOCI</th>
<th>Amortised cost</th>
<th>FVOCI</th>
<th>Amortised cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31st March, 2017</td>
<td>31st March, 2016</td>
<td>1st April, 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash Equivalents</td>
<td>71631817</td>
<td>41952</td>
<td>19150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Financial Assets</td>
<td>12707452</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial assets</td>
<td>84339269</td>
<td>41952</td>
<td>19150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>544365228</td>
<td>261192266</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Financial Liabilities</td>
<td>120474200</td>
<td>162035617</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>- 664839428</td>
<td>- 423227883</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31st March, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>544365228</td>
<td>-</td>
<td>544365228</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>-</td>
<td>544365228</td>
<td>-</td>
<td>544365228</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31st March, 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>261192266</td>
<td>-</td>
<td>261192266</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>-</td>
<td>261192266</td>
<td>-</td>
<td>261192266</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st April, 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity bonds which are traded in the stock exchanges, valued using the closing price as at the reporting period.

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

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

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

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

Valuation technique used to determine fair value Specific valuation techniques used to value financial instruments include:

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

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

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

Fair value of financial instruments has been determined by an independent valuer.
Fair value of financial assets and liabilities measured at amortized cost:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Fair value</td>
<td>Carrying Amount</td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td>544365228</td>
<td>580014372</td>
<td>261192266</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>544365228</td>
<td>580014372</td>
<td>261192266</td>
</tr>
</tbody>
</table>

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

33. First time adoption of IND AS

Transition to Ind AS

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

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

For Batra Sapra & Co
Chartered Accountants
ICAI Firm Registration No. 000103N

For and on behalf of Board

Amrit Lal Batra
Partner
Membership No. 016929

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

S. Vaithilingam
Director
DIN: 07107854

A K Shukla
CFO

Shwetank Kumar
Company Secretary

Place: New Delhi
Date: 27th June, 2017
INDEPENDENT AUDITORS’ REPORT

To the Members of Powergrid Unchahar Transmission Limited

Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Powergrid Unchahar Transmission Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

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

Our opinion is not modified in respect of this matter.
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure ‘1’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

3. As required by section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
   e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure ‘3’.
   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company;
      iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

For Batra Sapra & Company
Chartered Accountants
FRN : 000103N

CA Amrit Lal Batra
Membership No. 016929

Place: New Delhi
Date: 27th June, 2017
Annexure – 1

As referred to in our Independent Auditors’ Report to the members of the Powergrid Unchahar Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017, we report that:

<table>
<thead>
<tr>
<th>Clauses of CARO Report, 2016</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</td>
<td>The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.</td>
</tr>
<tr>
<td>(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;</td>
<td>The fixed assets have been physically verified by management during the year and no material discrepancies were noticed on such verification.</td>
</tr>
<tr>
<td>(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;</td>
<td>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.</td>
</tr>
<tr>
<td>(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;</td>
<td>There is no Inventory yet, thus no physical verification of inventory was conducted.</td>
</tr>
<tr>
<td>(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,</td>
<td>According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable.</td>
</tr>
<tr>
<td>(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>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.</td>
</tr>
<tr>
<td>(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?</td>
<td>According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.</td>
</tr>
<tr>
<td>(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</td>
<td>The Provisions of the clause (vi) of the Order, relating to maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable since the Company’s turnover or Net Worth of the Company as the case may be has not exceeded ₹ 500.00 Crores during the current year.</td>
</tr>
<tr>
<td>Clauses of CARO Report, 2016</td>
<td>Auditor’s Comment</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>(vii) Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</td>
<td>According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.</td>
</tr>
<tr>
<td>i) Provident fund;</td>
<td></td>
</tr>
<tr>
<td>ii) Employees’ state insurance;</td>
<td></td>
</tr>
<tr>
<td>iii) Income-tax;</td>
<td></td>
</tr>
<tr>
<td>iv) Sales-tax;</td>
<td></td>
</tr>
<tr>
<td>v) Service tax;</td>
<td></td>
</tr>
<tr>
<td>vi) Duty of customs;</td>
<td></td>
</tr>
<tr>
<td>vii) Duty of excise;</td>
<td></td>
</tr>
<tr>
<td>viii) Value Added Tax (VAT);</td>
<td></td>
</tr>
<tr>
<td>ix) Cess; and</td>
<td></td>
</tr>
<tr>
<td>x) Any other statutory dues.</td>
<td></td>
</tr>
<tr>
<td>If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.</td>
<td></td>
</tr>
<tr>
<td>(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).</td>
<td>According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited.</td>
</tr>
<tr>
<td>(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.</td>
<td>According to information and explanations given to us, there is no such default.</td>
</tr>
<tr>
<td>(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;</td>
<td>Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Holding Company Resource Mobilization cell provided inter corporate loan and raises demand for servicing as per the terms of source of fund from which it has funded the inter corporate loan. We report that the amounts received were applied for the purposes for which they were raised</td>
</tr>
<tr>
<td>(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;</td>
<td>According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.</td>
</tr>
<tr>
<td>(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;</td>
<td>The company has not provided for any Managerial Remuneration for the year 2015-2016. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company except costs allocated by the Holding Company based on the time spent. Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company</td>
</tr>
<tr>
<td>Clauses of CARO Report, 2016</td>
<td>Auditor’s Comment</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>(xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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;</td>
<td>All transactions with the “Related Parties” in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.</td>
</tr>
<tr>
<td>(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;</td>
<td>According to the information and explanations given to us, there is no such case.</td>
</tr>
<tr>
<td>(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;</td>
<td>According to the information and explanations given to us, there is no such case.</td>
</tr>
<tr>
<td>(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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

**For Batra Sapra & Company**  
Chartered Accountants  
FRN : 000103N

**CA Amrit Lal Batra**  
Membership No. 016929

Place: New Delhi  
Date: 27th June, 2017
Annexure referred to in our report of even date to the members of **Powergrid Unchahar Transmission Limited** (the Company) on the account for the year ended 31st March 2017

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Auditor’s Comments</th>
<th>Action taken by management</th>
<th>Impact on financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the Company has clear title/lease deeds for freehold, lease hold land, building and flats? If not, please state the area of the freehold land, lease hold land and buildings / flats for which title /lease deeds are not available.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.</td>
<td>Company doesn’t hold any freehold/leasehold land, building or flat.</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver / write off of debts/loans/interest etc. If yes, the reasons thereof and the amount involved.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management's response.</td>
<td>There were no cases of waiver of debts/loans/interest etc. during the year.</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties and assets received as gift, grant(s) from the Govt. or other authorities?</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, We agree to the Management's response.</td>
<td>There are no inventories lying with third parties. No assets have been received as gift from the Government or other Authorities.</td>
<td>Nil</td>
</tr>
<tr>
<td>4.</td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, We agree to the Management's response.</td>
<td>The Company has provided requisite disclosures in the financial statement as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. (Annexure 4)</td>
<td>Nil</td>
</tr>
</tbody>
</table>

**For Batra Sapra & Company**  
Chartered Accountants

**CA Amrit Lal Batra**  
Membership No. 016929  
Firm Regn. No. 000103N  
Place: New Delhi  
Date: 27th June, 2017

**Annexure 4**  
Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016  
(Amount in ₹)

<table>
<thead>
<tr>
<th></th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing cash on hand as on 08.11.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Permitted payments</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash on hand as on 30.12.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>
ANNEXURE – 3

As referred to in our Independent Auditors’ Report to the members of the Powergrid Unchahar Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017

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

We have audited the internal financial controls over financial reporting of the company as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on “the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For Batra Sapra & Company
Chartered Accountants
FRN : 000103N

CA Amrit Lai Batra
Membership No. 016929
Place: New Delhi
Date: 27-Jun-2017
POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40300DL2011GOI217975)

ANNUAL REPORT - 2016-17
Notice is hereby given that the Second Annual General Meeting of the POWERGRID Southern Interconnector Transmission System Limited will be held on Tuesday, 26th September, 2017 at 4:30 p.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwarra Sarai, New Delhi – 110016 to transact the following business:

**ORDINARY BUSINESS:**

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. POWERGRID Southern Interconnector Transmission System Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. Pursuant to the Section 139(5) of the Companies Act, the auditors of the Government Company are appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in Annual General Meeting or in such manner as the Company in Annual General Meeting may determine. The members of the Company, in its 1st Annual General Meeting held on 15th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly the Board of Directors had fixed audit fee of ₹ 30,000/- for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. M/s. D Siva Nageswara Rao & Co has been appointed by the C&AG as Statutory Auditors of the company for the Financial Year 2017-18.

3. The Members of the Company may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the 2017-18.

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

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

Date: 18th September, 2017

Regd. Office:
POWERGRID Southern Interconnector Transmission System Limited
B-9, Qutab Institutional Area,
Katwarra Sarai,
New Delhi – 110 016.
Directors’ Report

To,
Dear Members,


POWERGRID Southern Interconnector Transmission System Limited (PSITSL) was acquired by POWERGRID on 4th December, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-coordinator) for “Strengthening of Transmission System Beyond Vemagiri” Project. Consequent to such acquisition, PSITSL became wholly owned subsidiary of POWERGRID. The transmission project comprises of 765 kV & 400 kV, D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400 kV bay extensions at two existing Substations in the State of Andhra Pradesh. The Company has been granted transmission license by CERC in March, 2016. Awards for Transmission Lines have been placed in March 2016.

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

Share Capital
As on 31st March, 2017, the Company had Authorized Capital of ₹ 1 Crore and Paid up Share Capital of ₹ 5 Lac divided into 50,000 equity shares of ₹ 10/- each.

Dividend and Transfer to Reserves
Your Company’s Project is under implementation hence, there is no operating profit.

Particulars of Loans, Guarantees or Investments
Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties
Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

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

Subsidiaries, Joint Ventures and Associate Companies
Your Company does not have any subsidiaries, joint ventures and associate companies.

Director’s Responsibility Statement
As required under section 134 (3) (c) & 134(5) of the Companies Act, your Directors confirm that:

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis; and

v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go
Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.
Extract of Annual Return

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

Board of Directors

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

None of the Directors is disqualified from being appointed/re-appointed as Director.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, Six (6) Board meetings were held on 23.05.2016, 09.08.2016, 03.10.2016, 23.12.2016, 18.01.2017 and 08.03.2017. The detail of number of meetings attended by each Director during the financial year 2016-17 are as under:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>No. of Board Meetings which were entitled to attend during 2016-17</th>
<th>No. of Board Meetings attendance during 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Ravi P. Singh</td>
<td>Chairman</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Shri D. K. Valecha</td>
<td>Director</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Shri R. K. Srivastava</td>
<td>Director</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Shri V. Sekhar</td>
<td>Director</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

Corporate Social Responsibility (CSR)

Since no commercial activity was carried out by the Company, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, exempting the Government Companies to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. As your Company is a Government Company, the information has not been included as a part of Directors’ report.

Statutory Auditors

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

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

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

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

For and on behalf of

POWERGRID Southern Interconnector Transmission System Limited

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

Place: New Delhi
Date: 18th September, 2017
### Details of contracts or arrangements or transactions not at arm’s length basis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party and nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts / arrangements / transactions</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts / arrangements / transactions</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transactions including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justifications for entering into such contracts or arrangements or transactions</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date(s) of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

### Details of material contracts or arrangement or transactions at arm’s length basis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party and nature of relationship</td>
<td>Power Grid Corporation of India Limited Holding Company of POWERGRID Southern Interconnector Transmission System Limited</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts / arrangements / transactions</td>
<td>Part (A) POWERGRID to provide security (ies) / guarantee(s) in connection with loan (s) an/ or any form of debt including ECBs and / or to provide inter corporate loan (s) on cost to cost basis, upto an amount of ₹ 2924 Crore (Rupees Two Thousand nine hundred twenty four Crore only) to the Company. Part (B) POWERGRID to render all inputs and services as may be required by the Company @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts / arrangements / transactions</td>
<td>Part (A): As mutually agreed Part (B): Commissioning of the TBCB Project including associated reconciliation activities.</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transactions including the value, if any</td>
<td>Refer (b)</td>
</tr>
<tr>
<td>e</td>
<td>Date(s) of approval by the Board, if any</td>
<td>27th January 2016</td>
</tr>
<tr>
<td>f</td>
<td>Amount paid as advances, if any:</td>
<td>₹ 342.56 Cr</td>
</tr>
</tbody>
</table>

For and on behalf of
POWERGRID Southern Interconnector Transmission System Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Place : New Delhi
Date : 18th September, 2017
Annexure II to Directors’ Report

POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED
Form No.MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration)Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN U40300DL2011GOI217975
ii. Registration Date 6th April, 2015
iii. Name of the Company POWERGRID Southern Interconnector Transmission System Limited
iv. Category/ Sub-Category of the Company Company Limited by Shares / Union Government Company
v. Address of the Registered office and contact details B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
Tel: 011-26560121.Fax:011-26601081
vi. Whether listed company No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/ services</th>
<th>NIC Code of the Product/ service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANYY</td>
<td>100%</td>
<td>2(87) (ii)</td>
</tr>
</tbody>
</table>

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp $</td>
<td>0</td>
<td>49994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total(A)(1):--</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Category of Shareholders

**No. of Shares held at the beginning of the year**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>Demat</th>
<th>Physical</th>
<th>Total</th>
<th>% of Total Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>k) Any Other...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total (A)(2):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B. Public Shareholding**

1. **Institutions**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Mutual Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Central Govt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) State Govt(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) FIIs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total (B)(1)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. **Non Institutions**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Bodies Corp.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Indian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Individuals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Others (Specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total (B)(2)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Public Shareholding (B)=(B)(1)+(B)(2)**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**C. Shares held by Custodian for GDRs & ADRs**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Grand Total (A+B+C)**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

* 6 equity shares held by POWERGRID’s nominees (Individuals) jointly with POWERGRID.
### ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
<td>% of Shares Pledged / encumbered to total shares</td>
</tr>
<tr>
<td>1.</td>
<td>Power Grid Corporation of India Limited</td>
<td>49994</td>
<td>99.988</td>
</tr>
<tr>
<td>2.</td>
<td>Shri Ravi P. Singh, jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>3.</td>
<td>Shri D. K. Valecha jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>4.</td>
<td>Shri R. K. Srivastava jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R. P. Sasmal jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>6.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>7.</td>
<td>Shri R. N. Singh jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>50000</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td>NO CHANGE</td>
</tr>
<tr>
<td>At the End of the year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the End of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
(v) Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Directors and KMP</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
<td>No. of shares</td>
</tr>
<tr>
<td>---------</td>
<td>----------------</td>
<td>---------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>For each of Directors</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1</td>
<td>Shri Ravi P. Singh, Director</td>
<td>At the beginning of the year</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>2</td>
<td>Shri D. K. Valecha, Director</td>
<td>At the beginning of the year</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Shri R. K. Srivastava, Director</td>
<td>At the beginning of the year</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Shri V. Sekhar, Director</td>
<td>At the beginning of the year</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

<table>
<thead>
<tr>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td>3,425,640,155</td>
<td>-</td>
<td>3,425,640,155</td>
</tr>
<tr>
<td>- Addition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reduction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change</td>
<td>3,425,640,155</td>
<td>-</td>
<td>3,425,640,155</td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>3,425,640,155</td>
<td></td>
<td>3,425,640,155</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>86,995,539</td>
<td></td>
<td>86,995,539</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>3,512,635,694</td>
<td></td>
<td>3,512,635,694</td>
</tr>
</tbody>
</table>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### B. Remuneration to other directors:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (B)= (1+2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:(Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>
VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/Punishment/Compounding fees imposed</th>
<th>Authority [RD/NCLT/Court]</th>
<th>Appeal made. If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B. Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C. Other Officers In Default</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Southern Interconnector
Transmission System Limited

Sd/-
Ravi P. Singh
Chairman
DIN: 05240974

Place : New Delhi
Date : 18th September, 2017
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Southern Interconnector Transmission System Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 1395) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent and it in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 July 2017.

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

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

Place: New Delhi
Dated: 03 August, 2017

(Ritika Bhatia)
Principal Director of Commercial Audit & Ex-officio Member, Audit Board – III,
New Delhi
## Balance Sheet as at 31st March, 2017

(Amount in ₹)

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

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

---

**As per our report of even date**

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

**Tanvi Gupta**  
Partner  
Membership No: 529233

**Place**: Gurgaon  
**Date**: 12th July, 2017

---

**For and on behalf of the Board of Directors**

**Ravi P Singh**  
Chairman

**R. K. Srivastava**  
Director

**M S Rangacharyulu**  
CFO
# Statement of Profit and Loss

For the year ended 31st March, 2017

(Amount in ₹)

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

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

---

**As per our report of even date**

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

**Tanvi Gupta**
Partner
Membership No: 529233

Place : Gurgaon
Date : 12th July, 2017

**For and on behalf of the Board of Directors**

**Ravi P Singh**
Chairman

**R. K. Srivastava**
Director

**M S Rangacharyulu**
CFO
## Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

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

As per our report of even date

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

Tanvi Gupta
Partner
Membership No: 529233

Place : Gurgaon
Date : 12th July, 2017

For and on behalf of the Board of Directors

Ravi P Singh
Chairman

R. K. Srivastava
Director

M S Rangacharyulu
CFO

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

A. Equity Share Capital

<table>
<thead>
<tr>
<th></th>
<th>As at 1st April, 2015</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Capital</td>
<td>Securities</td>
<td>Bond</td>
<td>Self</td>
<td>CSR</td>
<td>General</td>
<td>Retained</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th></th>
<th>As at 1st April, 2015</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital</td>
<td>Securities</td>
<td>Bond</td>
<td>Self</td>
<td>CSR</td>
<td>General</td>
<td>Retained</td>
</tr>
<tr>
<td>Share application money pending allotment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1st April, 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

As per our report of even date

For Jhalani & Co.
Chartered Accountants
ICAI FRN: 003675N
Tanvi Gupta
Partner
Membership No: 529233
Place : Gurgaon
Date : 12th July, 2017

For and on behalf of the Board of Directors

Ravi P Singh
Chairman

R. K. Srivastava
Director

M S Rangacharyulu
CFO

Subsidiaries’ Accounts
Notes to Financial Statements

1. Corporate & General Information

Powergrid Southern Interconnector Transmission System Limited (“the Company”) is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The Company was incorporated on 06th April 2015 under the Companies Act, 2013. The Company is a special purpose vehicle incorporated to develop Connectivity lines for “Strengthening of transmission system beyond Vemagiri ” under tariff based competitive bidding (TBCB). On completion of the TBCB process, the SPV has been transferred to M/S Power Grid Corporation of India Limited on 04.12.2015.

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

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable. These financial statements are the first financial statements of the Company under Ind AS. Refer note 32 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

ii) Basis of Measurement

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

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees, except as stated otherwise.

iv) Use of estimates

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

2.2 Property, Plant and Equipment

Measurement on transition to IND AS

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

Initial Recognition and Measurement

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

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

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

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

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

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

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

**De-recognition**

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

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

### 2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

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

### 2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

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

### 2.5 Depreciation / Amortisation

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3 years</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5 years</td>
</tr>
</tbody>
</table>

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

Mobile phones are charged off in the year of purchase.

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

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/to the date on which the asset is available for use/disposed.

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

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

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

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

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

Spare parts which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

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

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

2.10 Leases

i) As A Lessor

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

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

a) Finance lease

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

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

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

i) As a Lessee

Operating leases

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

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents and Other financial assets.

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognised only when

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

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

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

Classification, initial recognition and measurement

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

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

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

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

Offsetting of financial instruments

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

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest cost are treated as borrowing cost. Other exchange difference are recognized in the statement of profit and loss.

2.13 Income Tax

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

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

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

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

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

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

The Transmission system incentive / disincetive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement entered between the Transmission Service Provider and the Long Term Transmission Customers.
Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

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

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

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. n Gross Block of Property, Plant and equipment (except assets covered under mega insurance policy) as at the end of the year by appropriating current year profit to mitigate future losses which may arise from un-insured risks. The same is shown as “Self insurance reserve” under ‘Other equity’.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

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

2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind-AS 7 ‘Statement of Cash Flow’.

3. Critical estimates and judgements

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.
## Note 4/Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Disposal</th>
<th>Adjustment during the year</th>
<th>As at 31st March, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freehold</td>
<td>89,994,400</td>
<td>-</td>
<td>89,994,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89,994,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89,994,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89,994,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substation</td>
<td>268,600</td>
<td>-</td>
<td>268,600</td>
<td>-</td>
<td>14,182</td>
<td>-</td>
<td>14,182</td>
<td>254,418</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Furniture Fixtures</td>
<td>1,387,187</td>
<td>-</td>
<td>1,387,187</td>
<td>-</td>
<td>87,809</td>
<td>-</td>
<td>87,809</td>
<td>1,299,378</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Office equipment</td>
<td>297,068</td>
<td>-</td>
<td>297,068</td>
<td>-</td>
<td>18,804</td>
<td>-</td>
<td>18,804</td>
<td>278,264</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>91,947,255</td>
<td>-</td>
<td>91,947,255</td>
<td>-</td>
<td>120,795</td>
<td>-</td>
<td>120,795</td>
<td>91,826,459</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Previous year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Note 5/Capital work in progress

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

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>537,152,497</td>
<td></td>
</tr>
<tr>
<td>Conductors</td>
<td>1,599,163,637</td>
<td></td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>194,063,389</td>
<td></td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>280,937</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,330,660,460</td>
<td></td>
</tr>
<tr>
<td>Construction Stores include:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material with Contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>537,152,497</td>
<td></td>
</tr>
<tr>
<td>Conductors</td>
<td>1,599,163,637</td>
<td></td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>194,063,389</td>
<td></td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>280,937</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,330,660,460</td>
<td></td>
</tr>
</tbody>
</table>
**Note 6/Other non-current Assets**  
(Unsecured considered good unless otherwise stated)  

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

**Note 7/Cash and Cash Equivalents**  
(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In Current accounts</td>
<td>18,356,029</td>
<td>1019,925</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,356,029</td>
<td>1019,925</td>
</tr>
</tbody>
</table>

**Details of Specified Bank Notes**  
(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Add: Permitted Receipts</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Less: Permitted Payments</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Less: Amount Deposited in Bank</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>Closing Cash in hand as on 30.12.2016</strong></td>
<td><strong>NIL</strong></td>
<td><strong>NIL</strong></td>
<td><strong>NIL</strong></td>
</tr>
</tbody>
</table>

**Note 8/Other Current Financial Assets**  
(Unsecured considered good unless otherwise stated)  

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>3,477,479</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,477,479</td>
<td>-</td>
</tr>
</tbody>
</table>

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

**Note 9/Other current Assets**  
(Unsecured considered good unless otherwise stated)  

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Advances recoverable in kind or for value to be received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors &amp; Suppliers</td>
<td>786,182,122</td>
<td></td>
</tr>
<tr>
<td>2) Others</td>
<td>46,802,070</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>832,984,192</td>
<td>-</td>
</tr>
</tbody>
</table>

Further Notes:  
Others includes advance given to Land

Subsidiaries’ Accounts
Note 10/Equity Share capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>10,00,000</td>
<td>10,00,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Total</td>
<td>500,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50000</td>
<td>500,000</td>
</tr>
<tr>
<td>Shares issued during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>50000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

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

Note 11/Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>% of holding</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>50000</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note 12/ Borrowings

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Loan From Others-Unsecured</td>
<td>3,425,640,155</td>
<td>156,400,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,425,640,155</td>
<td>156,400,000</td>
</tr>
</tbody>
</table>

Further notes:
The Inter Corporate Loan is provided by the Holding Company on cost to cost [Interest rate varying from 7.20% to 8.50%] and back to back servicing basis and the said loan is repayable over a period of 4 to 20 years after a moratorium period of 3 to 5 years.
**Note 13/Other Non-current financial liabilities**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits /Retention money from contractors and others.</td>
<td>822,731,132</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>822,731,132</td>
<td>-</td>
</tr>
</tbody>
</table>

**Further Notes:**
Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 25 (d)

**Note 14/Other Current Financial Liability**

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

**Further notes:**
Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 25(d).

**Note 15/Other current liabilities**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>37,194,966</td>
<td>10,111</td>
</tr>
<tr>
<td>Total</td>
<td>37,194,966</td>
<td>10,111</td>
</tr>
</tbody>
</table>

**Note 16/ Provisions**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>63,995</td>
<td></td>
</tr>
<tr>
<td>Additions/(adjustments) during the year</td>
<td>(63,995)</td>
<td>63,995</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>-</td>
<td>63,995</td>
</tr>
</tbody>
</table>
### Note 17/Other income

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

### Note 18/Finance costs

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest and finance charges on financial liabilities at amortised cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Loan from Powergrid</td>
<td>106,118,867</td>
<td>71,106</td>
</tr>
<tr>
<td>Unwinding of discount on financial liabilities</td>
<td>8,226,181</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>114,345,048</td>
<td>71,106</td>
</tr>
<tr>
<td><strong>Other Finance charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>9,471,033</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Note 19/Depreciation and amortization expense

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>120,795</td>
<td></td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction(Net) - Note 21</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Charged To Statement of Profit &amp; Loss</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 20/Other expenses

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>46,000</td>
<td>68,700</td>
</tr>
<tr>
<td>Advertisement and publicity</td>
<td>3,047,672</td>
<td></td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>2,150</td>
<td></td>
</tr>
<tr>
<td>CERC petition &amp; Other charges</td>
<td>524,658</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td></td>
<td>10,813</td>
</tr>
<tr>
<td>Hiring of Vehicle</td>
<td></td>
<td>42,355</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>209,252</td>
<td></td>
</tr>
<tr>
<td>Other charges</td>
<td>2,262</td>
<td>-</td>
</tr>
<tr>
<td>Preliminary Expenses</td>
<td></td>
<td>32,994</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>199,250</strong></td>
<td><strong>32,994</strong></td>
</tr>
</tbody>
</table>

### Note 21/ Expenditure during Construction (Net)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>1,009,078</td>
<td></td>
</tr>
<tr>
<td>Legal expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultancy expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travelling &amp; Conv. exp. (Including Foreign Travel)</td>
<td>59,820</td>
<td>146,716</td>
</tr>
<tr>
<td>Tender expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Sale of tenders</td>
<td></td>
<td>3,000,000</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement and Publicity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and stationery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hiring of Vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates and taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
<td>142,429,591</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td><strong>142,429,591</strong></td>
<td><strong>352,970,683</strong></td>
</tr>
<tr>
<td><strong>B. Depreciation/Amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td><strong>142,429,591</strong></td>
<td><strong>352,970,683</strong></td>
</tr>
<tr>
<td><strong>C. Finance Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Interest on loan from Powergrid</td>
<td></td>
<td>71,106</td>
</tr>
<tr>
<td></td>
<td></td>
<td>71,106</td>
</tr>
<tr>
<td>b) Other finance charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total (C)</strong></td>
<td><strong>114,345,048</strong></td>
<td><strong>9,542,139</strong></td>
</tr>
<tr>
<td><strong>D. Less: Other Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>162,603,055</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total (D)</strong></td>
<td><strong>163,936,195</strong></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL (A+B+C-D)</strong></td>
<td><strong>92,959,239</strong></td>
<td><strong>362,512,822</strong></td>
</tr>
</tbody>
</table>
22. Contingent Liabilities & Capital Commitments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Contingent Liability</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>ii. Capital Commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Estimated amount of contracts remaining to be executed on capital account and not provided for</td>
<td>18,655,776,893</td>
</tr>
</tbody>
</table>

23. Party Balances and Confirmations

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

24. Auditors Remuneration

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>FY 2016-17</th>
<th>FY 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Statutory Audit Fees</td>
<td>40,000</td>
<td>30,000</td>
</tr>
<tr>
<td>2</td>
<td>Other Services</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td></td>
<td>Service Tax</td>
<td>6,000</td>
<td>8,700</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>46,000</td>
<td>68,700</td>
</tr>
</tbody>
</table>

25. Other Disclosures

a. Employee Benefits

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

b. Leases

Operating Lease: The Company has no Operating leases.

Finance Lease: The Company has no finance leases.

c. Borrowing cost

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

d. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
26. Fair Value Measurements

(Amount in ₹)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised cost</td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash Equivalents</td>
<td>18,356,029</td>
<td></td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>3,477,979</td>
<td></td>
</tr>
<tr>
<td><strong>Total Financial assets</strong></td>
<td>21,833,998</td>
<td>1,019,925</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>3,512,635,694</td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>2,265,271,990</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>5,777,907,684</td>
<td>362,991,635</td>
</tr>
</tbody>
</table>

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

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 March 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>3,492,070,828</td>
<td></td>
<td>3,492,070,828</td>
<td></td>
</tr>
<tr>
<td>Other non current financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits/retention money from contractors and others</td>
<td></td>
<td>2,265,271,990</td>
<td></td>
<td>2,265,271,990</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td></td>
<td>5,757,342,818</td>
<td></td>
<td>5,757,342,818</td>
<td></td>
</tr>
</tbody>
</table>

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>153,467,826</td>
<td></td>
<td>153,467,826</td>
<td></td>
</tr>
<tr>
<td>Other Current Financial Liabilities</td>
<td></td>
<td>206,591,635</td>
<td></td>
<td>206,591,635</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td></td>
<td>360,059,461</td>
<td></td>
<td>360,059,461</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

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

The company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.
(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include: the fair value of the financial instruments is determined using discounted cash flow analysis.

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

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

(Amount in ₹)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Amount</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fair value</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Financial Assets

Financial Liabilities

| Borrowings       | 3,512,635,694 | 3,492,070,828 |
| Other non-current financial liabilities | 156,400,000 | 153,467,826 |
| Deposits/retention money from contractors and others | 2,265,271,990 | 2,352,267,529 |
| Dues for capital expenditure | 206,591,635 | 206,591,635 |

Total financial liabilities 5,777,907,684 5,844,338,357 362,991,635 362,991,635

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

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

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

27. Related party Transactions

(a) Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>India- Holding Company</td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) Subsidiaries of Holding company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited #</td>
<td>India-Fellow Subsidiary</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

# 100% equity in Medinipur Jeerat Transmission Limited acquired from PFC Consulting Limited on 28th March, 2017.
(c) Joint Ventures of Holding company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Parbatii Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India-JV of Holding</td>
<td>NA</td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal JV of Holding</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

(d) Key Management Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Date of Appointment</th>
<th>Date of Cesation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Ravi P Singh</td>
<td>Chairman (Part-time)</td>
<td>04.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri Sirivastava</td>
<td>Director (Part-time)</td>
<td>04.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri V Sekhar</td>
<td>Director (Part-time)</td>
<td>04.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri D K Valecha</td>
<td>Director (Part-time)</td>
<td>04.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri A Nagaraju</td>
<td>CEO (Part-time)</td>
<td>04.12.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri M S Rangacharyulu</td>
<td>CFO (Part-time)</td>
<td>03.06.2016</td>
<td>Continuing</td>
</tr>
</tbody>
</table>

(e) List of Other Related Parties

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Place of business/country of incorporation</th>
<th>Nature of Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

(f) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services received by the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultancy Charges (Excluding Taxes)</td>
<td>119,171,337</td>
<td>148,575,000</td>
</tr>
<tr>
<td>Total</td>
<td>119,171,337</td>
<td>148,575,000</td>
</tr>
</tbody>
</table>

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

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

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables (purchases of goods and services)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td>166,622,913</td>
<td>191,841,760</td>
</tr>
<tr>
<td>Total payables to related parties</td>
<td>166,622,913</td>
<td>191,841,760</td>
</tr>
</tbody>
</table>
(h) Loans to/from related parties

<table>
<thead>
<tr>
<th>Loans from Holding Company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>3,425,640,155</td>
<td>156,400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,425,640,155</strong></td>
<td><strong>156,400,000</strong></td>
</tr>
</tbody>
</table>

(i) Interest accrued on Loan

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Holding</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>86,995,539</td>
<td>63,995</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86,995,539</strong></td>
<td><strong>63,995</strong></td>
</tr>
</tbody>
</table>

(j) Interest on Loan

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Holding</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>106,118,867</td>
<td>71,016</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>106,118,867</strong></td>
<td><strong>71,016</strong></td>
</tr>
</tbody>
</table>

28. Segment Information

   Business Segment

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

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

29. Capital management

   a) Risk Management

   The company’s objectives when managing capital are to
   - maximize the shareholder value;
   - safeguard its ability to continue as a going concern;
   - maintain an optimal capital structure to reduce the cost of capital.

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

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

30. Earnings per share

   (Amount in ₹)

<table>
<thead>
<tr>
<th>Basic and diluted earnings per share attributable to the equity holders of the company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations</td>
<td>(3.99)</td>
<td>(0.66)</td>
</tr>
<tr>
<td><strong>Total basic and diluted earnings per share attributable to the equity holders of the company</strong></td>
<td><strong>(3.99)</strong></td>
<td><strong>(0.66)</strong></td>
</tr>
</tbody>
</table>
31. Financial Risk Management:

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

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

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

a) Credit risk,

b) Liquidity risk,

c) Market risk.

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

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

**A) Credit Risk**

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

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

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

**Other Financial Assets (excluding trade receivables)**

- **Cash and cash equivalents**

  The Company held cash and cash equivalents of ₹ 183,56,029 (31st March, 2016: ₹ 10,19,925). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- **Exposure to credit risk**

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets for which loss allowance is measured using 12 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>18,356,029</td>
<td>1,019,925</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>3,477,479</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21,833,508</td>
<td>1,019,925</td>
</tr>
<tr>
<td>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>
• Provision for expected credit losses

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

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

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

B) Liquidity risk

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

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

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

Maturities of financial liabilities

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

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

(Amount in ₹)

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

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

i. Currency risk

ii. Interest rate risk

i) Currency risk

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

ii) Interest rate risk

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

32. Recent Accounting Pronouncements:

Standard issued but not yet effective

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

Amendment to Ind AS 7 ‘Statement of cash flows’:

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

33. First time adoption of IND AS

Transition to IND AS

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

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

34. The previous year figures have been reclassified/re-grouped to conform to the current year’s classification.

As per our report of even date

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

Tanvi Gupta
Partner
Membership No: 529233

Place : Gurgaon
Date : 12th July, 2017

For and on behalf of the Board of Directors

Ravi P Singh
Chairman

R. K. Srivastava
Director

M S Rangacharyulu
CFO
INDEPENDENT AUDITORS’ REPORT

To the Members of Power Grid Southern Interconnector Transmission System Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Power Grid Southern Interconnector Transmission System Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

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

There are no matters of emphasis to be reported.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure ‘1’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. In terms of subsection (5) of section 143 of the Companies Act, 2013, we give in the Annexure‘2’ a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure ‘3’.

   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company is not having any pending litigations and hence the impact of pending litigations on its financial position in its Ind AS financial statements has not been disclosed;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 7 to the financial statements.

For Jhalani & Co.
Chartered Accountants
ICAI Firm Registration No.: 003675N

Tanvi Jhalani
Partner
Membership No: 529233

Place : New Delhi
Date : 12/07/2017
As referred to in our Independent Auditors’ Report to the members of the **Power Grid Southern Interconnector Transmission System Limited (‘the Company’)**, on the financial statements for the year ended 31st March, 2017, we report that:

(i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.

   b) The fixed assets have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.

   c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventories have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of Clause (iii) (a), Clause (iii) (b and Clause (iii) (c)) of the said Order are not applicable to the Company.

(iv) The company has neither granted any loan nor made any investment nor issued any guarantee and security. Therefore, clause (iv) of the said Order is not applicable to the company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the Company.

(vi) Maintenance of cost records under Section 148 (1) of the Companies Act, 2013 as prescribed by Central Government, is not applicable to the company for the year under audit.

(vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Custom, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act and Excise Act are not applicable to the Company.

   b) According to information and explanations given to us, there are no dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.

(ix) In our opinion on an overall basis and according to the information and explanations given to us, the Company has applied the term loans including funds raised through bonds for the purpose they were obtained. The Company has raised funds from its holding company. The Company has not raised money by way of initial public offer or further public offer during the year.

(x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of frauds has been committed on or by the Company during the year.

(xi) Since section 197 of the Companies Act, 2013 is not applicable to the Company on account of it being a Government Company in accordance with the Ministry of Corporate Affairs Notification F.No.1/2/2014-CL-V dated 05.06.2015, hence the provisions regarding managerial remuneration as per clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.
(xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or party convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.

For Jhalani & Co.
Chartered Accountants
ICAI Firm Registration No.: 003675N

Tanvi Jhalani
Partner
Membership No: 529233

Place : New Delhi
Date : 12th July, 2017
SPECIFIC AREAS EXAMINED DURING THE COURSE OF AUDIT OF ANNUAL ACCOUNTS OF POWERGRID NM TRANSMISSION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017, IN TERMS OF THE DIRECTIONS / SUB-DIRECTIONS ISSUED TO US:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Management’s Reply</th>
<th>Statutory Auditors’ Reply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the Company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings / flats for which title /lease deeds are not available.</td>
<td>The company is having clear title deeds for freehold land it holds as on the date of balance sheet.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.</td>
<td>There were no cases of waiver of debts / loans / interest etc. during the financial year.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties &amp; assets received as gift, grants(s) from Govt. or other authorities.</td>
<td>The company has maintained adequate records in respect of the company's inventories lying with third parties. In all cases, the confirmation from such parties have been obtained on year end basis. No assets were received as gift from Government or other Authorities.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td>4.</td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>The Company has not held / dealt with specified Bank Notes (SBN) during the said period.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
</tbody>
</table>

For Jhalani & Co.
Chartered Accountants
ICAI Firm Registration No.: 003675N

Tanvi Jhalani
Partner
Membership No: 529233

Place: New Delhi
Date: 12th July, 2017
As referred to in our Independent Auditors’ Report to the members of the Power Grid Southern Interconnector Transmission system Limited (‘the Company’), on the financial statements for the year ended 31st March, 2017.

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

We have audited the internal financial controls over financial reporting of the company as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.
Inherent Limitations of internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on “the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For Jhalani & Co.
Chartered Accountants
ICAI Firm Registration No.: 003675N

Tanvi Jhalani
Partner
Membership No: 529233

Place: New Delhi
Date: 12th July, 2017
NOTICE

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri D. K. Singh (DIN 06503565), who retires by rotation and being eligible, offers himself for re-appointment.

3. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

By order of the Board of Directors

(S. Vaithilingam)
Director

Place: New Delhi
Date: 29th September, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.

3. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 3rd Annual General Meeting held on 29th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹37,500 for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. The existing Auditors M/s V. J. Amin & Co., Chartered Accountants have been re-appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2017-18.

4. This meeting is being convened at Shorter Notice.
### BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION

Directors seeking re-election at the 3rd AGM:

1. **Name**: Shri D. K. Singh  
   **DIN**: 06503565  
   **Date of Birth and Age**: 15th January 1961 / 56 Years  
   **Date of Appointment**: 26th February, 2015  
   **Qualification**: B. Sc. (Electrical), Ranchi University  

   **Expertise in specific functional Area**: Shri D. K. Singh is presently working as Executive Director, Western Region – II, POWERGRID. Shri Singh is having 32 years of work experience in the Planning & Development of Indian Power Sector. Prior to joining POWERGRID in the year 1991, Shri Singh worked for 6 years in NTPC in various capacities in the field of Construction of 400 KV transmission lines, Project monitoring, Construction, Operation and Maintenance of Transmission system. As Executive Director of the Region, he is leading a highly motivated group of professionals having expertise in Technical, Commercial, Contracts, Finance and HR fields.

   **Directorship held in other Companies (Part-time)**:  
   1. Torren Power Grid Limited  
   2. POWERGRID Warora Transmission Limited  
   3. National High Power Test Laboratory Private Limited

   **Membership / Chairmanship of Committees in other Companies**:

   **No. of Shares held**: NIL  
   **No. of Board Meetings attended during the year**: 3
POWERGRID Jabalpur Transmission Limited  
(A wholly owned subsidiary of Power Grid Corporation of India Limited)  
CIN: U40300DL2014GOI270433  
Regd. Office: B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi- 110 016.  
Phone No.: 011-26560112, Fax: 011-26601081

<table>
<thead>
<tr>
<th>Name of the member(s):</th>
<th>Address:</th>
<th>E-mail Id:</th>
<th>Signature:……………, or failing him</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the member(s):</td>
<td>Address:</td>
<td>E-mail Id:</td>
<td>Signature:……………, or failing him</td>
</tr>
<tr>
<td>Name of the member(s):</td>
<td>Address:</td>
<td>E-mail Id:</td>
<td>Signature:……………..</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Resl. No.</th>
<th>Resolutions</th>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>To appoint a Director in place of Shri D.K. Singh (DIN: 06503565), who retires by rotation and being eligible, offers himself for re-appointment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 3rd Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.
Directors’ Report 2016-17

To,

Dear Members,

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

POWERGRID Jabalpur Transmission Limited (PJTL) (formerly Vindhyachal Jabalpur Transmission Limited) was acquired/taken over by POWERGRID on February 26, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Strengthening associated with Vindhyachal-V. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C transmission line is to traverse the State of Madhya Pradesh. The Company has been granted transmission license by CERC in June, 2015.

FINANCIAL PERFORMANCE

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

DIVIDEND AND TRANSFER TO RESERVES

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

SHARE CAPITAL

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

STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s V.J. Amin & Co. Chartered Accountants, Vadodara have been re-appointed as Statutory Auditors for the financial year 2017-18.

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

COMPTROLLER AND AUDITOR GENERAL’S COMMENTS

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

EXTRACT OF ANNUAL RETURN

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

COMPANY’S BOARD

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

NUMBER OF MEETINGS OF THE BOARD

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

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>No. of Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Ravi P. Singh</td>
<td>Chairman</td>
<td>8</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>8</td>
</tr>
<tr>
<td>Shri D. K. Valecha</td>
<td>Director</td>
<td>7</td>
</tr>
<tr>
<td>Shri D. K. Singh</td>
<td>Director</td>
<td>3</td>
</tr>
</tbody>
</table>

COMMITTEES OF THE BOARD

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

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

PERFORMANCE EVALUATION OF DIRECTORS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

PARTICULARS OF EMPLOYEES

As per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Further, the Company does not have any employee as on the date of this report therefore, such particulars have not been included as part of Directors’ Report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

There was no incidence of Sexual Harassment during the Financial Year 2016-17.

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

Since no commercial activity was carried out by the Company during the period under review, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

RISK MANAGEMENT POLICY

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

INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

CORPORATE SOCIAL RESPONSIBILITY

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

SIGNIFICANT MATERIAL ORDERS

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

DIRECTORS’ RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;
(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th September, 2017

(Ravi P. Singh)
Chairman
DIN: 05240974
ANNEXURE I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID JABALPUR TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Jabalpur Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 18 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Jabalpur Transmission Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors’ report.

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

Place: New Delhi
Dated: 1st September, 2017

(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi
**I. REGISTRATION AND OTHER DETAILS:**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>CIN</th>
<th>Name of the Company</th>
<th>Category/ Sub-Category of the Company</th>
<th>Address of the Registered office and contact details</th>
<th>Whether listed company</th>
<th>Name, Address and Contact details of Registrar and Transfer Agent, if any</th>
</tr>
</thead>
</table>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/ services</th>
<th>NIC Code of the Product/ service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED*</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

*HOLDING COMPANY ON & FROM 26.02.2015.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6*</td>
<td>6*</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp</td>
<td>0</td>
<td>49994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Category of Shareholders</td>
<td>No. of Shares held at the beginning of the year</td>
<td>No. of Shares held at the end of the year</td>
<td>% Change during the year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>k) Any Other...</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B. Public Shareholding</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1. Institutions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) State Gov(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>g) FIIs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (B)(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Non-Institutions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(i) Indian</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Others (Specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (B)(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Public Shareholding (B) = (B)(1) + (B)(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

* 6 equity shares held by POWERGRID’s nominees (Individuals) jointly with POWERGRID.
### ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares % of total Shares of the company % of Shares Pledged / encumbered to total shares</td>
<td>No. of Shares % of total Shares of the company % of Shares Pledged / encumbered to total shares % change in shareholding during the year</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>49994 99.988 -</td>
<td>149994 99.996 -</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01 0.002 -</td>
<td>01 0.0006 -</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Ranjan K. Srivastava jointly with POWERGRID</td>
<td>01 0.002 -</td>
<td>01 0.0006 -</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Ravi P. Singh jointly with POWERGRID</td>
<td>01 0.002 -</td>
<td>01 0.0006 -</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R.P. Sasmal jointly with POWERGRID</td>
<td>01 0.002 -</td>
<td>01 0.0006 -</td>
</tr>
<tr>
<td>6.</td>
<td>Shri D.K. Valecha jointly with POWERGRID</td>
<td>01 0.002 -</td>
<td>01 0.0006 -</td>
</tr>
<tr>
<td>7.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID</td>
<td>01 0.002 -</td>
<td>01 0.0006 -</td>
</tr>
</tbody>
</table>

- Total 50000 100 0 150000 100 0 0

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares % of total shares of the company</td>
<td>No. of shares % of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>50000 100</td>
<td>50000 100</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>02.06.2016 - 100000 Equity Shares were allotted to Power Grid Corporation of India Limited</td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>150000 100</td>
<td>150000 100</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each of Top ten shareholders</td>
<td>No. of shares % of total shares of the company</td>
<td>No. of shares % of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>02.06.2016 - 100000 Equity Shares were allotted to Power Grid Corporation of India Limited</td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>- -</td>
<td>- -</td>
</tr>
</tbody>
</table>
(v) Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For each of Directors and KMP</td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>1</td>
<td>Shri Ravi P. Singh, Chairman</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td>2</td>
<td>Shri D.K. Valecha, Director</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td>3</td>
<td>Shri S. Vaithilingam, Director</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td>4</td>
<td>Shri D. K. Singh, Director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* equity share held jointly with POWERGRID.
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

<table>
<thead>
<tr>
<th>Indebtedness at the beginning of the financial year</th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>2,34,14,200</td>
<td>-</td>
<td>2,34,14,200</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>2,34,14,200</td>
<td>-</td>
<td>2,34,14,200</td>
</tr>
</tbody>
</table>

Change in Indebtedness during the financial year

- Addition 201,72,34,118 201,72,34,118
- Reduction - - - -

Net Change - 201,72,34,118 - 201,72,34,118

Indebtedness at the end of the financial year

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>204,06,48,318</td>
<td>-</td>
<td>204,06,48,318</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>5,05,20,151</td>
<td>-</td>
<td>5,05,20,151</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>209,11,68,469</td>
<td>-</td>
<td>209,11,68,469</td>
</tr>
</tbody>
</table>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### B. Remuneration to other directors (Not Applicable):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total (B)=(1+2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites/s</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>
### VII. Penalties/Punishment/Compounding of Offences:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief Description</th>
<th>Details of Penalty/Punishment/Compounding fees imposed</th>
<th>Authority [RD/NCLT/Court]</th>
<th>Appeal made. If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C. Other Officers In Default</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Jabalpur Transmission Limited

Ravi P. Singh
Chairman
DIN: 05240974

Place : New Delhi
Date : 29th September, 2017
### ANNEXURE III

**POWERGRID JABALPUR TRANSMISSION LIMITED**

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm’s length basis.**

<table>
<thead>
<tr>
<th>S l. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justification for entering into such contracts or arrangements or transactions</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. **Details of contracts or arrangements or transactions at Arm’s length basis.**

<table>
<thead>
<tr>
<th>S l. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>Power Grid Corporation of India Limited (POWERGRID) [holding company on and from 26.02.2015]</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>Part (A): to take any security(ies) / guarantee(s) in connection with loan(s) and/or avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of ₹ 1400 crore from POWERGRID. Part (B): to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts / arrangements / transaction</td>
<td>Part (A): As mutually agreed. Part (B): Commissioning of the project including associated reconciliation activities.</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>Refer (b)</td>
</tr>
<tr>
<td>e</td>
<td>Date of approval by the Board</td>
<td>16.12.2016 [for Part (A)], 29.02.2016 [for Part (B)].</td>
</tr>
<tr>
<td>f</td>
<td>Amount paid as advances, if any</td>
<td>NIL</td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Jabalpur Transmission Limited

Ravi P. Singh  
Chairman  
DIN: 05240974

Place : New Delhi  
Date : 29th September, 2017
Balance Sheet as at 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant and Equipment</td>
<td>4</td>
<td>128736</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(b) Capital work-in-progress</td>
<td>5</td>
<td>2280175713</td>
<td>21096842</td>
<td>183974890</td>
</tr>
<tr>
<td>(c) Other non-current assets</td>
<td>6</td>
<td>360434688</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2640739137</td>
<td>21096842</td>
<td>183974890</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>502701</td>
<td>2054780</td>
<td>19550</td>
</tr>
<tr>
<td>(b) Other current assets</td>
<td>8</td>
<td>6659236</td>
<td>5000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7161937</td>
<td>2059780</td>
<td>19550</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>2647901074</td>
<td>213046622</td>
<td>183994440</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share capital</td>
<td>9</td>
<td>1500000</td>
<td>500000</td>
<td>500000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>10</td>
<td>(33194)</td>
<td>(33194)</td>
<td>(33194)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1466806</td>
<td>466806</td>
<td>466806</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Borrowings</td>
<td>11</td>
<td>2040648318</td>
<td>23414200</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Other non-current financial liability</td>
<td>12</td>
<td>60327130</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2100975448</td>
<td>23414200</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current financial liability</td>
<td>13</td>
<td>526071462</td>
<td>187129535</td>
<td>183527634</td>
</tr>
<tr>
<td>(b) Other current liabilities</td>
<td>14</td>
<td>19387358</td>
<td>2036081</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>545458820</td>
<td>189165616</td>
<td>183527634</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td>2647901074</td>
<td>213046622</td>
<td>183994440</td>
</tr>
</tbody>
</table>

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

As per our report of even date
For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W

For and on behalf of Board of Directors
Ravi P Singh
Chairman
DIN : 05240974

S. Vaithilingam
Director
DIN : 07107854

CA Dharamsinth T. Kesharani
Partner
Membership No. 47553

Place : Vadodara
Date : 4th July, 2017

Subsidiaries’ Accounts

Annual Report 2016-17 203
# Statement of Profit and Loss

for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Revenue From Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II Other Income</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III Total Income (I+II)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV <strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenses (IV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V Profit/(loss) before tax (III-IV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI Tax expense:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Current tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Deferred tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VII Profit/(loss) for the period (V-VI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIII Other Comprehensive Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX Total Comprehensive Income for the period (VII+VIII)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X Earnings per equity share</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Basic & Diluted (Par value of ₹ 10 each)

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

As per our report of even date

For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W

CA Dharmansinh T. Kesharani
Partner
Membership No. 47553

Ravi P Singh
Chairman
DIN : 05240974

S. Vaithilingam
Director
DIN : 07107854

Place : Vadodara
Date : 4th July, 2017

For and on behalf of Board of Directors

Subsidiaries’ Accounts

204 Annual Report 2016-17
# Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Adjustments for :-</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Current/Non-Current Liabilities</td>
<td>418,679,314</td>
<td>5,632,982</td>
</tr>
<tr>
<td>Increase/(Decrease) in Short Term Provisions</td>
<td>(2,058,981)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase)/Decrease in Other current Assets</td>
<td>(6,654,236)</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Flow from Operating Activities</td>
<td>409,966,097</td>
<td>5,632,982</td>
</tr>
</tbody>
</table>

| **B) Cash Flow from Investing Activities:** | | |
| - Property, Plant & Equipment & Capital Work in Progress | (2,069,317,606) | (27,011,952) |
| - Advances for Capital Expenditure | (360,434,688) | - |
| Net Cash used in Investing Activities | (2,429,752,294) | (27,011,952) |

| **C) Cash Flow from Financing Activities:** | | |
| - Share Capital raised during the year | 1,000,000 | - |
| - Loans raised during the year | 2,017,234,118 | 23,414,200 |
| Net Cash from Financing Activities | 2,018,234,118 | 23,414,200 |

| **D) Net change in Cash & Cash equivalents(A+B+C)** | 1,552,079 | 2,035,230 |

| **E) Cash and Cash Equivalents at the beginning of the period** | 2,054,780 | 19,550 |
| **F) Cash and Cash Equivalents at the end of the period** | 502,701 | 2,054,780 |

Note:
Previous year figures have been re-grouped/ re-arranged wherever necessary.

As per our report of even date

**For V. J. Amin & Co.**
Chartered Accountants
ICAI Firm Regn. No. 100335W

**CA Dharamsinth T. Kesharani**
Partner
Membership No. 47553

Place : Vadodara
Date : 4th July, 2017

For and on behalf of Board of Directors

**Ravi P Singh**
Chairman
DIN : 05240974

**S. Vaithilingam**
Director
DIN : 07107854

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

A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>500,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>500,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>1,000,000</td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th></th>
<th>Capital Reserve</th>
<th>Securities Premium Reserve</th>
<th>Self Insurance Reserve</th>
<th>General Reserve</th>
<th>Retained Earnings</th>
<th>Fair Value through Other Comprehensive Income Equity Income</th>
<th>Other Items of Other Comprehensive Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
<td>-</td>
<td>-</td>
<td>-33,194</td>
</tr>
</tbody>
</table>

As per our report of even date
For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W
CA Dharmsinh T. Kesharani
Partner
Membership No. 47553

For and on behalf of Board of Directors
Ravi P Singh
Chairman
DIN : 05240974
S. Vaithilingam
Director
DIN : 07107854

Place : Vadodara
Date : 4th July, 2017
Notes to Financial Statements

1. Corporate and General Information

Powergrid Jabalpur Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. The company is engaged in the business of Power Transmission Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

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

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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

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

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (Refer Note 2.11 of accounting policy regarding financial instruments)

iii) Functional and presentation currency

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

iv) Use of estimates

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

2.2 Property, Plant and Equipment

Measurement on transition to Ind AS

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

Initial Recognition and Measurement

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

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

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

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.
In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

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

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

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

**De-recognition**

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

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

### 2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

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

### 2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 2.5 Depreciation / Amortisation

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

Depreciation on following assets is provided based on estimated useful life as per technical assessment.
Residual value of above assets is considered as Nil.

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

Mobile phones are charged off in the year of purchase.

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

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

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

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

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

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

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

2.6 Borrowing Costs

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

Other borrowing costs are charged to revenue

2.7 Impairment of non-financial assets, other than inventories

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

2.8 Cash and cash equivalents

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

2.9 Inventories

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

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

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

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

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

i) As A Lessor

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

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

a) Finance lease

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

b) Operating lease

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

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

ii) As a Lessee

Operating leases

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

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable & other financial assets.

Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the following:

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

Initial recognition and measurement

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

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

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

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The group has transferred the rights to receive cash flows from the financial asset or
Financial Liabilities
Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

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

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

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

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

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

De-recognition of financial liability
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

2.12 Foreign Currency Translation

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

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

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

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

Current income tax
The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

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

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

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

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

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

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self Insurance Reserve

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

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

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

2.20 Cash Flow Statement

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

3. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgement while applying the company’s accounting policies for the estimates and judgements are periodically evaluated in line with progress of the Project & they are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.
### Note 4/Property, Plant and Equipment

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cost</th>
<th>Accumulated depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2016</td>
<td>Additions during the year</td>
<td>Disposal</td>
</tr>
<tr>
<td>Furniture Fixtures</td>
<td>-</td>
<td>129432</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>129432</td>
<td>-</td>
</tr>
<tr>
<td>Previous Year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Note 5/Capital work in progress

#### (Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April,2016</th>
<th>Additions during the year</th>
<th>Adjustments during the year</th>
<th>Capitalised during the year</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March,2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>865,145</td>
<td>1,122,057,497</td>
<td>-</td>
<td>-</td>
<td>1,122,922,912</td>
</tr>
<tr>
<td>Expenditure during construction (net)</td>
<td>210,121,427</td>
<td>181,554,139</td>
<td>-</td>
<td>-</td>
<td>391,675,566</td>
</tr>
<tr>
<td><strong>Construction Stores</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>765,577,235</td>
<td>-</td>
<td>-</td>
<td>765,577,235</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>210,986,842</td>
<td>2,069,188,871</td>
<td>-</td>
<td>-</td>
<td>2,280,175,713</td>
</tr>
</tbody>
</table>

### Note 5/Capital work in progress

#### (Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April,2015</th>
<th>Additions during the year</th>
<th>Adjustments during the year</th>
<th>Capitalised during the year</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March,2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Transmission</td>
<td>-</td>
<td>865,415</td>
<td>-</td>
<td>-</td>
<td>865,415</td>
</tr>
<tr>
<td>Expenditure pending allocation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure during construction (net)</td>
<td>-</td>
<td>183,974,890</td>
<td>26,146,537</td>
<td>-</td>
<td>210,121,427</td>
</tr>
<tr>
<td><strong>Construction Stores</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>27,011,952</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>183,974,890</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>210,986,842</td>
</tr>
</tbody>
</table>

#### Note:

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

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

#### (Details of Construction stores) (At Cost)

#### (Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2017</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Stores</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>409,504,159</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conductors</td>
<td>281,736,319</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>60,942,958</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>31,420</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>13,362,379</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>765,577,235</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction Stores include:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Material in transit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>11,251</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conductors</td>
<td>30,722,877</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>13,362,379</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,096,507</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii) Material with Contractors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>409,492,908</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conductors</td>
<td>251,013,442</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>60,942,958</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>31,420</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>721,480,728</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td>765,577,235</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Note 6/Other Non-current Assets
(Unsecured considered good unless otherwise stated)  

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

Note 7/Cash and Cash Equivalents  

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks - In Current accounts</td>
<td>502701</td>
<td>2054780</td>
<td>19550</td>
</tr>
<tr>
<td>Total</td>
<td>502701</td>
<td>2054780</td>
<td>19550</td>
</tr>
</tbody>
</table>

Details of Specified Bank Notes (SBN)  

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing cash in hand as on 08.11.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Permitted payments</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash in hand as on 30.12.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

Note 8/Other Current Assets  

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

Note 9/Equity Share capital  

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Share Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>200000000</td>
<td>20000000</td>
<td>200000000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td>15000000</td>
<td>500000</td>
<td>5000000</td>
</tr>
<tr>
<td>Total</td>
<td>15000000</td>
<td>500000</td>
<td>5000000</td>
</tr>
</tbody>
</table>

Subsidiaries’ Accounts
Further Notes:

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>Amount</td>
</tr>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50000</td>
<td>500000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>100000</td>
<td>1000000</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>150000</td>
<td>1500000</td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>% of holding</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>150000</td>
<td>100%</td>
<td>50000</td>
</tr>
</tbody>
</table>

Note 10/Other Equity

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves and Surplus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(33194)</td>
<td>(33194)</td>
<td>(33194)</td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Balance</td>
<td>(33194)</td>
<td>(33194)</td>
<td>(33194)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>(33194)</td>
<td>(33194)</td>
<td>(33194)</td>
</tr>
</tbody>
</table>

Note 11/ Borrowings

(Amount in ₹)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured Loan from Power Grid Corporation of India Ltd (Holding Co.)</td>
<td>2040648318</td>
<td>23414200</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2040648318</td>
<td>23414200</td>
<td>-</td>
</tr>
</tbody>
</table>

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

Note 12/Other Non-current financial liabilities

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits /Retention money from contractors and others</td>
<td>60327130</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>60327130</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note:
Disclosure with regard to Micro and Small Enterprise as reported under "The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note no. 20.
Note 13/Other Non-current financial liabilities

(Amount in ₹)

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

Note:
Disclosure with regard to Micro and Small Enterprise as reported under "The Micro, Small and Medium Enterprise Development Act, 2006" is given in Note no. 20

Note 14/Other current liabilities

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>19,387,358</td>
<td>2,036,081.00</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>19,387,358</td>
<td>2,036,081.00</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 15/Other Income

(Amount in ₹)

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

Note 16/Finance costs

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Interest and finance charges on financial liabilities at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Loan from Holding Co.</td>
<td>56,133,501</td>
<td>14,813</td>
</tr>
<tr>
<td>ii) Unwinding of discount on financial liabilities</td>
<td>892,906</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>57,026,407</td>
<td>14,813</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net)-Note 19</td>
<td>57,026,407</td>
<td>14,813</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Note 17/Depreciation and amortization expense**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>696</td>
<td>-</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction (Net) - Note 19</td>
<td>696</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note 18/Other expenses**

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

**Note 19/Expenditure during Construction (Net)**

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

20. Based on information available with the company, there are no supplier’s/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Principal</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>4</td>
<td>The amount of interest accrued and remaining unpaid at the end of each accounting year.</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

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

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

23. **Fair Value Measurements**

<table>
<thead>
<tr>
<th>Financial Instruments by category</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>01 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash Equivalents</td>
<td>502701</td>
<td>2054780</td>
<td>19550</td>
</tr>
<tr>
<td><strong>Total Financial assets</strong></td>
<td>502701</td>
<td>2054780</td>
<td>19550</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>2091168469</td>
<td>23414200</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>535878441</td>
<td>187129335</td>
<td>183527634</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>2627046910</td>
<td>210543735</td>
<td>183527634</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>22979907</td>
<td></td>
<td></td>
<td>22979907</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>187129535</td>
<td></td>
<td></td>
<td>187129535</td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>210109442</td>
<td></td>
<td></td>
<td>210109442</td>
<td></td>
</tr>
</tbody>
</table>

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 April 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>183527634</td>
<td></td>
<td></td>
<td>183527634</td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>183527634</td>
<td></td>
<td></td>
<td>183527634</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017 Carrying Amount</th>
<th>Fair value</th>
<th>31 March 2016 Carrying Amount</th>
<th>Fair value</th>
<th>1 April 2015 Carrying Amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>2091168469</td>
<td>2130714733</td>
<td>23414200</td>
<td>22979907</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>535878441</td>
<td>535878441</td>
<td>187129535</td>
<td>187129535</td>
<td>183527634</td>
<td>183527634</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>2627046910</td>
<td>2666593174</td>
<td>210543735</td>
<td>210109442</td>
<td>183527634</td>
<td>183527634</td>
</tr>
</tbody>
</table>

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

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
24. Related party Transactions

(a) **Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India- Holding Company</td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) **Subsidiaries of Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited #</td>
<td>India-Fellow Subsidiary</td>
<td></td>
</tr>
</tbody>
</table>

*Cease to be subsidiary of Holding Co. wef 02/01/2017
#100% equity in Medinipur Jeerat Transmission Ltd. By Holding Company on 28/03/2017

(c) **Joint Ventures of Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India-JV of Holding</td>
<td></td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal JV of Holding</td>
<td></td>
</tr>
</tbody>
</table>

*Cease to be Joint venture of Holding Co. wef 25/04/2016
(d) Key Management Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sh. Ravi P Singh</td>
<td>Chairman (Part Time)</td>
</tr>
<tr>
<td>Sh. D.K. Singh</td>
<td>Director (Part Time)</td>
</tr>
<tr>
<td>Sh. S. Vaithilingam</td>
<td>Director (Part Time)</td>
</tr>
<tr>
<td>Sh. D.K. Valecha</td>
<td>Director (Part Time)</td>
</tr>
<tr>
<td>Sh. P.C. Garg</td>
<td>Chief Executive Officer (Part Time)</td>
</tr>
</tbody>
</table>

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

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

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Powergrid Corporation of India Ltd.</td>
<td>8774003</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>8774003</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(f) Investments Received during the year (Equity)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td>1000000</td>
<td>-</td>
<td>500000</td>
</tr>
<tr>
<td>Total</td>
<td>1000000</td>
<td>-</td>
<td>500000</td>
</tr>
</tbody>
</table>

(g) Loans to/from related parties

(Amount in Rupees)

<table>
<thead>
<tr>
<th>Loans from Holding Company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>2040648318</td>
<td>23414200</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2040648318</td>
<td>23414200</td>
<td>-</td>
</tr>
</tbody>
</table>

(h) Interest accrued on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>5052051.00</td>
<td>14813.00</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>5052051.00</td>
<td>14813.00</td>
<td>-</td>
</tr>
</tbody>
</table>

(i) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services received by the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>131013357</td>
<td>187106635</td>
</tr>
<tr>
<td>Consultancy Charges</td>
<td>56133501</td>
<td>14813</td>
</tr>
<tr>
<td>Total</td>
<td>187146858</td>
<td>187121448</td>
</tr>
</tbody>
</table>
(j) Interest on Loan

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2017</th>
<th>As at March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>56133501</td>
<td>14813</td>
</tr>
<tr>
<td>Total</td>
<td>56133501</td>
<td>14813</td>
</tr>
</tbody>
</table>

25. Segment Information

a) Business Segment

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

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

26. Capital and other Commitments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2017</th>
<th>As at March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</td>
<td>8837475680</td>
<td>-</td>
</tr>
</tbody>
</table>

27. Contingent Liabilities and contingent assets

Contingent Liabilities

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

28. Capital Management

a) Risk Management

The company’s objectives when managing capital are to

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

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

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

29. Earnings per share

<table>
<thead>
<tr>
<th>(a) Basic and diluted earnings per share attributable to the equity holders of the company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total basic diluted earnings per share attributable to the equity holders of the company</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(b) Reconciliation of earnings used in calculating earnings per share</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Earnings attributable to the equity holders of the company</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Subsidiaries’ Accounts
30. Financial Risk Management

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

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

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

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

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

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

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Since the company is still under construction there are no trade receivables.

(i) Other Financial Assets

• Cash and cash equivalents

The Company held cash and cash equivalents as on 31st March 2017 of ₹ 502701.00 (31st March, 2016: ₹ 2054780.00, 1st April, 2015: ₹ 19550.00). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

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:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>502701</td>
<td>2054780</td>
<td>19550</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>6659236</td>
<td>5000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7161937</strong></td>
<td><strong>2059780</strong></td>
<td><strong>19550</strong></td>
</tr>
</tbody>
</table>

Provision for expected credit losses

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

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

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.
Management monitors rolling forecasts of the Company’s liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

**Maturities of financial liabilities**

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

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

(Amount in ₹)

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

C) **Market risk**

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

i. Currency risk

ii. Interest rate risk

i) **Currency risk**

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

Exposure in Foreign currency for unexecuted amount of contracts for purchase of goods and services is 2394302 USD (INR Vale 157377470) (31st March 2016- NIL, 01st April 2015- NIL)

ii) **Interest rate risk**

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

31. Recent Accounting Pronouncements:

**Standard issued but not yet effective**

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

**Amendment to Ind AS 7 ‘Statement of cash flows’**:

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

Transition to Ind AS

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company's date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Reconciliation of equity as at 31st March 2016 & 1st April 2015.

There is no Impact of IND AS as on 31st March 2016 and 1st April 2015 in total equity. So there is no change in total equity as on 31st March 2016 & 01st April 2015.

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

There is no impact of IND AS for the year ended 31st March 2016 on Total Comprehensive Income, so there is no change in total comprehensive income for the year 31st March 2016.


There is no impact of IND AS as on 31st March, 2016 in the statements of cash flows. So there is no change in Statement of cash flows for the year 31st March, 2016.

33. Previous year figures have been regrouped and rearranged.

For and on behalf of the Board of Directors

As per our report of even date
For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W
CA Dharamsinh T. Kesharani
Partner
Membership No. 47553

For and on behalf of Board of Directors
Ravi P Singh
Chairman
DIN : 05240974
S. Vaithilingam
Director (Part-Time)
DIN : 07107854

Place : Vadodara
Date : 4th July, 2017
INDEPENDENT AUDITORS’ REPORT

To the Members of Powergrid Jabalpur Transmission Limited

Annexure-2 has been revised in response to the HM no. 2 raised by the C&AG auditors.

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Powergrid Jabalpur Transmission Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 dated 21st July 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure ‘1’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure ‘2’ a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
   e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure ‘3’.
   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company;
      iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W

CA Dharamsingh T. Kesharani
Partner
Membership No. 47553
Place : Vadodara
Date : 4th July, 2017
As referred to in our Independent Auditors' Report to the members of the Powergrid Jabalpur Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017, we report that:

<table>
<thead>
<tr>
<th>Clauses of CARO Report, 2016</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</td>
<td>The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.</td>
</tr>
<tr>
<td>(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;</td>
<td>The project is still under construction stage and it has very few MBOA assets which are not material, thus no physical verification of assets was conducted.</td>
</tr>
<tr>
<td>(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;</td>
<td>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</td>
</tr>
<tr>
<td>(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;</td>
<td>The project is still under construction stage &amp; there is no Inventory yet, thus no physical verification of inventory was conducted.</td>
</tr>
<tr>
<td>(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,</td>
<td>According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable</td>
</tr>
<tr>
<td>(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>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</td>
</tr>
<tr>
<td>(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?</td>
<td>According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal</td>
</tr>
<tr>
<td>(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</td>
<td>The Provisions of the clause (vi) of the Order, relating to maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013, are not applicable since the Company's turnover or Net Worth of the Company as the case may be has not exceeded Rs.500.00 Crores during the current year</td>
</tr>
</tbody>
</table>
| (vii) (a) | Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:  
  i) Provident fund;  
  ii) Employees’ state insurance;  
  iii) Income-tax;  
  iv) Sales-tax;  
  v) Service tax;  
  vi) Duty of customs;  
  vii) Duty of excise;  
  viii) Value Added Tax (VAT);  
  ix) Cess; and  
  x) Any other statutory dues.  
If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.  
According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. |
| (b) | where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).  
According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. |
| (viii) | Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported.  
(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.  
According to information and explanations given to us, there is no such default. |
| (ix) | Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;  
Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Holding Company Resource Mobilization cell provided inter corporate loan and raises demand for servicing as per the terms of source of fund from which it has funded the inter corporate loan. We report that the amounts received were applied for the purposes for which they were raised. |
| (x) | Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;  
According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year. |
| (xi) | Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;  
The company has not provided for any Managerial Remuneration for the year 2015-2016. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company except costs allocated by the Holding Company based on the time spent. Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company. |
| (xii) | Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; | Not Applicable |
| (xiii) | Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards; | All transactions with the “Related Parties” in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed. |
| (xiv) | Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance; | According to the information and explanations given to us, there is no such case. |
| (xv) | Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with; | According to the information and explanations given to us, there is no such case. |
| (xvi) | Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained. | The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC. |

**For V. J. Amin & Co.**
Chartered Accountants
ICAI Firm Regn. No. 100335W

**CA Dharamsingh T. Kesharani**
Partner
Membership No. 47553
Place : Vadodara
Date : 4th July, 2017
Annexure referred to in our report of even date to the members of Powergrid Jabalpur Transmission Limited ('the Company') on the account for the year ended 31st March 2017

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Auditor’s Comments</th>
<th>Action taken by management</th>
<th>Impact on financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the Company has clear title/lease deeds for freehold, lease hold land, building and flats? If not, please state the area of the freehold land, lease hold land and buildings / flats for which title / lease deeds are not available.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
<td>Company doesn’t hold any freehold/leasehold land, building or flat.</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver / write off of debts/loans/ interest etc.. If yes, the reasons thereof and the amount involved.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
<td>There were no cases of waiver of debts/loans/interest etc. during the year.</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties and assets received as gift, grant(s) from the Govt. or other authorities?</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, We agree to the Management’s response.</td>
<td>The company has maintained adequate records in respect of the company’s inventories lying with third parties. No assets have been received as gift from the Government or other Authorities.</td>
<td>Nil</td>
</tr>
<tr>
<td>4.</td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, We agree to the Management’s response.</td>
<td>The Company has provided requisite disclosures in the financial statement as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. (Annexure 4)</td>
<td>Nil</td>
</tr>
</tbody>
</table>

For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W

Dharamsinh T. Kesharani
Partner
Membership No. 047553
Firm Regn. No. 100335W
Place : Vadodara
Date : 4th July, 2017

Annexure 4

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

<table>
<thead>
<tr>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing cash on hand as on 08.11.2016</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Permitted payments</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash on hand as on 30.12.2016</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>
ANNEXURE – 3

As referred to in our Independent Auditors’ Report to the members of the Powergrid Jabalpur Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the act”)
We have audited the internal financial controls over financial reporting of the company as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls
The Company’s management is responsible for establishing and maintaining internal financial control based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting
A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:
(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on “the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For V. J. Amin & Co.
Chartered Accountants
ICAI Firm Regn. No. 100335W

CA Dharamsinh T. Kesharani
Partner
Membership No. 47553
Place : Vadodara
Date : 4th July, 2017
POWERGRID KALA AMB TRANSMISSION LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40106DL2013GOI256048)

ANNUAL REPORT - 2016-17
NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of will be held on Friday, the 29th September, 2017 at 10.30 a.m. at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri R. P. Sasmal (DIN 02319702), who retires by rotation and being eligible, offers himself for re-appointment.

3. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

By order of the Board of Directors

sd/-
(S. Vaithilingam)
Director

Place: New Delhi
Date: 29th September, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.

3. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 3rd Annual General Meeting held on 29th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 40,000 for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses. M/s. Amit Jai & Co. have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2017-18.

4. This meeting is being convened at Shorter Notice.
BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION

Directors seeking re-election at the 4th AGM:

<table>
<thead>
<tr>
<th>Name</th>
<th>Shri R. P. Sasmal</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIN</td>
<td>02319702</td>
</tr>
<tr>
<td>Date of Birth and Age</td>
<td>28th February, 1958/ 59 Years</td>
</tr>
<tr>
<td>Date of Appointment</td>
<td>12th May, 2014</td>
</tr>
<tr>
<td>Qualification</td>
<td>Graduate Engineer from Sambalpur University, Odisha</td>
</tr>
</tbody>
</table>

**Expertise in specific functional Area**

Shri Sasmal has more than 35 years of experience in power sector. He has handled multi-disciplinary functions such as planning, monitoring and implementation of HVDC projects, EHV transmission systems and Load Despatch and Communication Systems. He was instrumental in introducing the ±800 kV multi-terminal HVDC transmission system which is first of its kind in the world. Under his guidance, the first unmanned operation of 400 kV sub-station at Bhiwadi was implemented as a pilot project. He has been bestowed upon with "Distinguished Member of CIGRE, 2012" and has published various technical papers on transmission systems especially on HVDC in various national and international professional forums/societies like IEEE and CIGRE. He is currently the national representative for India at CIGRE for HVDC and Power Electronics. He is currently working as Director (Operations) of Power Grid Corporation of India Limited.

**Directorship held in other Companies (Part-time)**

1. Power Grid Corporation of India Limited
2. RINL Powergrid TLT Private Limited
3. Grid Conductors Limited
4. Cross Border Power Transmission Company Limited
5. Kalinga Bidyut Prasaran Nigam Private Limited
6. Delhi Transco Limited
7. POWERGRID NM Transmission Limited
8. POWERGRID Parli Transmission Limited
9. POWERGRID Vizag Transmission Limited
10. POWERGRID Warora Transmission Limited

**Membership / Chairmanship of Committees in other Companies**

Audit Committee Member – Power Grid Corporation of India Limited

<table>
<thead>
<tr>
<th>No. of Shares held</th>
<th>1*</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Board Meetings attended during the year</td>
<td>8</td>
</tr>
</tbody>
</table>

*Jointly with Power Grid Corporation of India Limited*
Name of the member(s):
Registered address:
E-mail Id:
Folio no/ Client Id:
DP ID:

1. Name of the member(s):
   Address:
   E-mail Id:
   Signature:............... or failing him

2. Name of the member(s):
   Address:
   E-mail Id:
   Signature:............... or failing him

3. Name of the member(s):
   Address:
   E-mail Id:
   Signature:...............

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4th Annual General Meeting of the company, to be held on **Friday, the 29th September, 2017 at 11.00 a.m. at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016** and at any adjournment thereof in respect of such resolutions as are indicated below:

<table>
<thead>
<tr>
<th>Resl. No.</th>
<th>Resolutions</th>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>To appoint a Director in place of Shri R.P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed this..............day of.................., 2017.

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 4th Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.
Directors’ Report 2016-17

To,

Dear Members,

On behalf of the Board of Directors, I am delighted to present the 4th Annual Report on performance of the Company during the financial year ending March 31, 2017 together with the Audited Financial Statements.

POWERGRID Kala Amb Transmission Limited (PKATL) (formerly NRSS XXXI (A) Transmission Limited) was acquired /taken over by POWERGRID on May 12, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for Northern Region system Strengthening Scheme, NRSS-XXXI (Part-A). Consequent to such acquisition, PKATL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILO and Series Compensation is contemplated in the state of Himachal Pradesh. The Company has been granted transmission license by Central Electricity Regulatory Commission (CERC) in September, 2014. The project has been completed on 12th July, 2017.

FINANCIAL PERFORMANCE

As on 31st March, 2017, the Company has not started its commercial operations. The expenditure of ₹ 200,26,08,813/- incurred during the year has been included under the Capital Work in progress.

DIVIDEND AND TRANSFER TO RESERVES

Since the Company has not started its commercial operations hence there is no operational income/profit.

SHARE CAPITAL

As on 31st March, 2017, the Company had Authorised Share Capital of ₹ 5 Crore and Paid up Capital of ₹ 1.05 Crore. Subsequently the Authorised Share Capital was increased to ₹ 35 Crore w.e.f. 05th May, 2017. Further the Subscribed and Paid up Capital was increased to ₹ 31.05 Crore on 29th September, 2017.

STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s Amit Jai & Co. Chartered Accountants, Jammu have been appointed as Statutory Auditors for the financial year 2017-18 in place of the erstwhile auditors M/s Rakesh Ganesh & Associates, Chartered Accountants.

The Statutory Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

COMPTROLLER AND AUDITOR GENERAL’S COMMENTS

Company has received ‘NIL’ comments on the accounts for the year ended March 31, 2017 by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013. Copy of the same is attached in Annexure - I to this report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013 an extract of the annual return in the prescribed format in MGT-9 is given as Annexure II of this Report.

COMPANY’S BOARD

Your Company’s composition of Board of Directors underwent some changes during the year 2016-2017. During the year, Shri Anil Jain was appointed as Director (Part-Time) w.e.f. 01st August, 2016 in place of Shri S. K. Sharma, Director (Part-time).

In accordance with the provisions of section 160 of the Companies Act, 2013 read with the Articles of Association of the Company, Shri R.P. Sasmal, Chairman (Part-time) shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

Board of Directors met 8 times during the financial year 2016-2017 (04th April, 2016, 23rd May, 2016, 02nd June, 2016, 02nd August, 2016, 02nd September, 2016, 27th December, 2016, 01st March, 2017 and 30th March, 2017). Details regarding dates and attendance of the Board meetings are provided herein below:
<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>No. of Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R. P. Sasmal</td>
<td>Chairman</td>
<td>8</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>8</td>
</tr>
<tr>
<td>Shri D. K. Valecha</td>
<td>Director</td>
<td>7</td>
</tr>
<tr>
<td>Shri S. K. Sharma*</td>
<td>Director</td>
<td>3</td>
</tr>
<tr>
<td>Shri Anil Jain**</td>
<td>Director</td>
<td>2</td>
</tr>
</tbody>
</table>

*Ceased to be a Director w.e.f. 01st August, 2016  
**Appointed as Director w.e.f. 01st August, 2016

**COMMITTEES OF THE BOARD**

PKATL has an Audit Committee and Nomination and Remuneration Committee. The Committee was constituted on 30th March, 2017.

**DECLARATION BY INDEPENDENT DIRECTORS**

PKATL, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013 (the Act), the power to appoint Independent Directors vests with the President of India. The matter has already been taken up with Administrative Ministry for filling up vacancies of Independent Director on the Board of PKATL. During the period under review there were no Independent Directors on the Board.

**PERFORMANCE EVALUATION OF DIRECTORS**

MCA vide notification dated 05th July 2017 has also amended the Code for Independent Directors, as per which the performance evaluation of the Board by the Independent Directors has been exempted for government companies.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not made any loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the year.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as Annexure III of the Directors’ Report. Further, attention of the members is drawn on Note No. 25 of the Financial Statement which sets out related party disclosure.

**PARTICULARS OF EMPLOYEES**

As per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Further, the Company does not have any employee as on the date of this report therefore, such particulars have not been included as part of Directors’ Report.

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

There was no incidence of Sexual Harassment during the Financial Year 2016-17.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Since no commercial activity was carried out by the Company during the period under review, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

**RISK MANAGEMENT POLICY**

Your Company being a wholly owned subsidiary of POWERGRID follows the similar Risk Management Framework as being done in the holding company.

**INTERNAL FINANCIAL CONTROLS AND ADEQUACY**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds, error reporting mechanism, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company does not have any operation income/profit. Hence it is not required to make any CSR Expenditure.

**SIGNIFICANT MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and Company’s operations in future.
DIRECTORS’ RESPONSIBILITY STATEMENT

As required u/s 134(3)(c) & 134(5) of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Our Board of Directors would like to express their deep sense of appreciation for the guidance and co-operation received from Government of India, particularly Ministry of Power, Ministry of Environment & Forests, Ministry of Corporate Affairs, Central Electricity Regulatory Commission, Central Electricity Authority and other concerned Govt. departments/agencies at the Central and State level without whose active support, the achievements of the Corporation during the year under review would not have been possible. The Board also appreciates the contribution of Contractors, Vendors and Consultants for successful implementation of various projects by the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 29th September, 2017

sd/-
(R. P. Sasmal)
Chairman
DIN: 02319702
ANNEXURE I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID KALA AMB TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Kala Amb Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 June 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Kala Amb Transmission Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors’ report.

For and on behalf of the
Comptroller & Auditor General of India

(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 28 August, 2017
### I. REGISTRATION AND OTHER DETAILS:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td>CIN</td>
<td>U40106DL2013GOI256048</td>
</tr>
<tr>
<td>ii.</td>
<td>Registration Date</td>
<td>29th July, 2013</td>
</tr>
<tr>
<td>iii.</td>
<td>Name of the Company</td>
<td>POWERGRID Kala Amb Transmission Limited [formerly NRSS XXXI (A) Transmission Limited]</td>
</tr>
<tr>
<td>iv.</td>
<td>Category/ Sub-Category of the Company</td>
<td>Company Limited by shares /Union Government Company</td>
</tr>
<tr>
<td>v.</td>
<td>Address of the Registered office and contact details</td>
<td>B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081</td>
</tr>
<tr>
<td>vi.</td>
<td>Whether listed company</td>
<td>No</td>
</tr>
<tr>
<td>vii.</td>
<td>Name, Address and Contact details of Registrar and Transfer Agent, if any</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/ services</th>
<th>NIC Code of the Product/ service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED*</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

*HOLDING COMPANY ON & FROM 12.05.2014

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6</td>
<td>6*</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp</td>
<td>0</td>
<td>49994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

2) Foreign

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Category of Shareholders</td>
<td>No. of Shares held at the beginning of the year</td>
<td>No. of Shares held at the end of the year</td>
<td>% Change during the year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>k) Any Other...</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total (A)(2):</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1. Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>g) FIIs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total (B)(1)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Non-Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(i) Indian</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Others (Specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total (B)(2)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Public Shareholding (B)=(B)(1)+(B)(2)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Shares held by Custodian for GDRs &amp; ADRs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total (A+B+C)</strong></td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

**Notes:**
* 6 equity shares held by POWERGRID’s nominees (Individuals) jointly with POWERGRID.
ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>49994</td>
<td>99.988</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Ranjan K. Srivastava jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Ravi. P. Singh jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R.P. Sasmal jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>6.</td>
<td>Shri D.K. Valecha jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>7.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>50000</td>
<td>100</td>
</tr>
</tbody>
</table>

iii. Change in Promoters’ Shareholding (please specify, if there is no change)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>50000</td>
<td>100</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>02.06.2016 – Allotment of 10,00,000 Equity Shares to Power Grid Corporation of India Limited</td>
<td>1050000</td>
</tr>
<tr>
<td>At the End of the year</td>
<td>1050000</td>
<td>100</td>
</tr>
</tbody>
</table>

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each of Top ten shareholders</td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the End of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Directors and KMP</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>For each of Directors</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1</td>
<td>Shri R. P. Sasmal, Chairman</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01*</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>Shri D. K. Valecha, Director</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01*</td>
<td>0.00</td>
</tr>
<tr>
<td>3</td>
<td>Shri S. Vaithilingam, Director</td>
<td>01*</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01*</td>
<td>0.00</td>
</tr>
<tr>
<td>4</td>
<td>Shri Anil Jain, Director</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*equity share held jointly with POWERGRID.
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

<table>
<thead>
<tr>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>30,31,04,838</td>
<td>30,31,04,838</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>5,26,52,563</td>
<td>5,26,52,563</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td>-</td>
<td>174,27,57,136</td>
<td>174,27,57,136</td>
</tr>
<tr>
<td>- Addition</td>
<td>-</td>
<td>174,27,57,136</td>
<td>174,27,57,136</td>
</tr>
<tr>
<td>- Reduction</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>204,58,61,974</td>
<td>204,58,61,974</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>5,26,52,563</td>
<td>5,26,52,563</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>209,85,14,537</td>
<td>209,85,14,537</td>
</tr>
</tbody>
</table>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary Under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### B. Remuneration to other directors: (NOT APPLICABLE)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (B) = (1+2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>CEO</th>
<th>Company Secretary</th>
<th>CFO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/ Punishment/ Compounding fees imposed</th>
<th>Authority [RD/ NCLT/Court]</th>
<th>Appeal made, If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>B. Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>C. Other Officers In Default</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Kala Amb Transmission Limited

sd/-

(R.P. Sasmal)
Chairman
DIN: 02319702

Date: 29th September, 2017
Place: New Delhi
**ANNEXURE III**

**POWERGRID KALA AMB TRANSMISSION LIMITED**

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm’s length basis.**

<table>
<thead>
<tr>
<th>S.L. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name (s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justification for entering into such contracts or arrangements or transactions’</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. **Details of contracts or arrangements or transactions at Arm’s length basis.**

<table>
<thead>
<tr>
<th>S.L. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name (s) of the related party &amp; nature of relationship</td>
<td>Power Grid Corporation of India Limited (POWERGRID) [holding company on and from 12.05.2014]</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) and/or avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of ₹ 300 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>Part (A): As mutually agreed. Part (B): Commissioning of the project including associated reconciliation activities.</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>Refer (b)</td>
</tr>
<tr>
<td>e</td>
<td>Date of approval by the Board</td>
<td>31.07.2014 [for Part (A)] , 04.04.2016 [for Part (B)]</td>
</tr>
<tr>
<td>f</td>
<td>Amount paid as advances, if any</td>
<td>NIL</td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Kala Amb Transmission Limited

\[\text{sd/-} \]

(R.P.Sasmal)

Chairman

DIN: 02319702

Date: 29th September, 2017

Place: New Delhi
Balance Sheet as at 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant and Equipment</td>
<td>4</td>
<td>29989223</td>
<td>29938000</td>
<td>-</td>
</tr>
<tr>
<td>(b) Capital work-in-progress</td>
<td>5</td>
<td>2085210256</td>
<td>82601443</td>
<td>41317620</td>
</tr>
<tr>
<td>(c) Other non-current assets</td>
<td>6</td>
<td>149485944</td>
<td>213922269</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cash and cash equivalents</td>
<td>7</td>
<td>329517</td>
<td>19338</td>
<td>18070</td>
</tr>
<tr>
<td>(ii) Other current financial assets</td>
<td>8</td>
<td>5257869</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Other current assets</td>
<td>9</td>
<td>8824659</td>
<td>6446</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share capital</td>
<td>10</td>
<td>10500000</td>
<td>500000</td>
<td>500000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>11</td>
<td>(28177)</td>
<td>(28177)</td>
<td>(28177)</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td>10471823</td>
<td>471823</td>
<td>471823</td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 34) form the integral part of financial statements.

As per our report of even date
For Rakesh Ganesh & Associates
Firm Regn. No. 020917N

(CA Rakesh Gupta) (R.P. Sasmal) (S. Vaithilingam)
Proprietor Chairman Director
M. No. 506825 DIN : 02319702 DIN : 07107854

Place: New Delhi
Date: 29th June, 2017

Subsidiaries’ Accounts
Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Revenue From Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II Other Income</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III Total Income (I+II)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenses (IV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V Profit/(loss) before tax (III- IV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI Tax expense:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Current tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Deferred tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VII Profit (Loss) for the period (V-VI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIII Other Comprehensive Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX Total Comprehensive Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X Earnings per equity share (Par Value ₹ 10/- each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Basic (₹)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Diluted (₹)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 42) form an integral part of financial statements.

As per our report of even date
For Rakesh Ganesh & Associates
Firm Regn. No. 020917N

(CA Rakesh Gupta) (R.P. Sasmal) (S. Vaithilingam)
Proprietor Chairman Director
M. No. 506825 DIN : 02319702 DIN : 07107854

Place: New Delhi
Date: 29th June, 2017
Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Cash Flow from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit/Loss before tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating Profit/Loss before Working Capital Changes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjustments for Increase/Decrease in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other Current Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Current Liabilities</td>
<td>128039980</td>
<td>(17953032)</td>
</tr>
<tr>
<td>- Non-Current Liabilities</td>
<td>71812856</td>
<td></td>
</tr>
<tr>
<td>- Other Current Asset</td>
<td>(14076082)</td>
<td>(6446)</td>
</tr>
<tr>
<td>- Other Non Current Asset</td>
<td>64436325</td>
<td>(213922269)</td>
</tr>
<tr>
<td><strong>Net Cash generated /used from/in operating activities.</strong></td>
<td>250213079</td>
<td>(231881747)</td>
</tr>
<tr>
<td><strong>B. Cash Flow from Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Property, Plant &amp; Equipment and Capital Work in Progress</td>
<td>(2002660036)</td>
<td>(71221823)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities.</strong></td>
<td>(2002660036)</td>
<td>(71221823)</td>
</tr>
<tr>
<td><strong>C. Cash Flow from Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Share capital</td>
<td>10000000</td>
<td>-</td>
</tr>
<tr>
<td>- Loan Raised during the Year</td>
<td>1742757136</td>
<td>303104838</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td>1752757136</td>
<td>303104838</td>
</tr>
<tr>
<td><strong>D. Net change in cash &amp; cash equivalents (A+B+C)</strong></td>
<td>310179</td>
<td>1268</td>
</tr>
<tr>
<td><strong>E. Cash and Cash Equivalents at the beginning of the period</strong></td>
<td>19338</td>
<td>18070</td>
</tr>
<tr>
<td><strong>F. Cash and Cash Equivalents at the end of the period</strong></td>
<td>329517</td>
<td>19338</td>
</tr>
</tbody>
</table>

Notes:- Previous year figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date
For Rakesh Ganesh & Associates
Firm Regn. No. 020917N

For and on behalf of Board of Directors

(CA Rakesh Gupta) (R.P. Sasmal) (S. Vaithilingam)
Propritor Chairman Director
M. No. 506825 DIN : 02319702 DIN : 07107854

Place: New Delhi
Date: 29th June, 2017
Statement of Changes in Equity for the period ended 31st March, 2017

### A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>500000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>-</td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>500000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>1000000</td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>1050000</td>
</tr>
</tbody>
</table>

### B. Other Equity

<table>
<thead>
<tr>
<th>Details</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st April, 2015</td>
<td>(28,177.00)</td>
<td>(28,177.00)</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>(28,177.00)</td>
<td>(28,177.00)</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>(28,177.00)</td>
<td>(28,177.00)</td>
</tr>
</tbody>
</table>

Refer to Note No. 11 for nature and movement of reserve and surplus

As per our report of even date

For Rakesh Ganesh & Associates
Firm Regn. No. 020917N

(CA Rakesh Gupta)  (R.P. Sasmal)  (S. Vaithilingam)
Proprietor  Chairman  Director
M. No. 506825  DIN : 02319702  DIN : 07107854

Place: New Delhi
Date: 29th June, 2017
Notes to Separate Financial Statements

Note 1. Corporate and General Information

Powergrid Kala Amb Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016. The company is engaged in the business of power transmission system network, construction, operation and maintenance of transmission lines and other related allied activities.

The financial statement of the company for the year ended March 31, 2017 were approved for issue by the Board of Directors on 29th June, 2017.

Note 2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter.

The financial statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupee, except as stated otherwise.

iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, First time adoption of Indian Accounting Standards.

Initial Recognition and measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.
In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ` 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

**De-recognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

### 2.3 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

### 2.4 Intangible Assets and Intangible Assets under development

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

### 2.5 Depreciation / Amortization

Depreciation/Amortization on assets is provided on straight line method following the rates and methodology as notified by CERC, for the purpose of recovery of tariff except for assets specified in following paragraphs.
Depreciation on following assets is provided based on estimated useful life as per technical assessment.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3 years</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as Nil.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with nil residual value.

Mobile phones are charged off in the year of purchase.

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by CERC tariff regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets following the rates & methodology notified by CERC.

The residual values, useful lives and methods of depreciation for are reviewed at each financial year end and adjusted prospectively, wherever required.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rate & methodology as specified in CERC tariff regulation. Leasehold land acquired on perpetual lease is not amortized.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.
2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

b) Operating lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the following:

- The entity’s business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.

De-recognition of financial assets

A financial asset is derecognized only when

- The group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.
Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company’s financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (‘the functional currency’). The financial statements are presented in Indian Rupees (Rupees or "₹"), which is the company’s functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company’s financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax
credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulation.

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

2.15 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserves is created @ 0.12% p.a. on Gross Block of Property Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from uninsured risk, the same is shown under “Self-insurance reserve” under “other equity”.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.
Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS-7 "Statement of Cash Flows".

Note 3. Critical estimates and Judgments.

The preparations of financial statements require the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the companies’ accounting policies.

Estimates and Judgments are periodically evaluated in line with progress of the Project & they are based on historical experience and other factors, including expectations of the future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.
### Note 4/Property, Plant and Equipment

**Subsidiaries’ Accounts**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cost</th>
<th>Accumulated depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2016</td>
<td>Upto 31st March, 2017</td>
<td>As at 31st March, 2016</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>29938000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment</td>
<td>-</td>
<td>42700</td>
<td>42700</td>
</tr>
<tr>
<td>Electronic Data Processing &amp; Word Processing Machines</td>
<td>-</td>
<td>12600</td>
<td>12600</td>
</tr>
<tr>
<td>Total</td>
<td>29938000</td>
<td>55300</td>
<td>29993300</td>
</tr>
<tr>
<td>Previous Year Total</td>
<td>-</td>
<td>29938000</td>
<td>29938000</td>
</tr>
</tbody>
</table>

**Note:**

a) The company owns 4.079 hectare (4.079 hectare as on 31.03.2016) (Nil hectare as on 01.04.2015) of freehold land amounting to ₹ 29938000 (₹ 29938000 as on 31.03.2016) (₹ Nil as on 01.04.2015) based on available documentation.
Note 5/Capital work-in-progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2016</th>
<th>Additions during the year</th>
<th>Adjustments during the year</th>
<th>Capitalised during the year</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2017</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>10235362</td>
<td>10235362</td>
<td></td>
<td></td>
<td>10235362</td>
<td></td>
</tr>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Transmission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Sub-Station</td>
<td>9883302</td>
<td>147394458</td>
<td>9883302</td>
<td>147394458</td>
<td>9883302</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure pending allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Survey, investigation, consultancy &amp; supervision Charges</td>
<td>312893</td>
<td>312893</td>
<td></td>
<td></td>
<td>312893</td>
<td></td>
</tr>
<tr>
<td>ii) Expenditure during construction period (net) (Note 20)</td>
<td>62169886</td>
<td>145573771</td>
<td></td>
<td></td>
<td>207743657</td>
<td>62169886</td>
</tr>
<tr>
<td></td>
<td>82601443</td>
<td>30894810</td>
<td>20431557</td>
<td></td>
<td>371114696</td>
<td>82601443</td>
</tr>
<tr>
<td><strong>Construction Stores (Net of Provision)</strong></td>
<td>1714095560</td>
<td></td>
<td></td>
<td></td>
<td>1714095560</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>82601443</td>
<td>2023040370</td>
<td>20431557</td>
<td></td>
<td>2085210256</td>
<td>82601443</td>
</tr>
</tbody>
</table>

Note 5/Capital work-in-progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2015</th>
<th>Additions during the year</th>
<th>Adjustments during the year</th>
<th>Capitalised during the year</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>10235362</td>
<td></td>
<td></td>
<td></td>
<td>10235362</td>
<td></td>
</tr>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Station</td>
<td>9883302</td>
<td></td>
<td></td>
<td></td>
<td>9883302</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure pending allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Survey, investigation, consultancy &amp; supervision Charges</td>
<td>82883</td>
<td>230010</td>
<td></td>
<td></td>
<td>312893</td>
<td>82883</td>
</tr>
<tr>
<td>ii) Expenditure during construction period (net) (Note 20)</td>
<td>41234737</td>
<td>20935149</td>
<td></td>
<td></td>
<td>62169886</td>
<td>41234737</td>
</tr>
<tr>
<td></td>
<td>41317620</td>
<td>41283823</td>
<td></td>
<td></td>
<td>82601443</td>
<td>41317620</td>
</tr>
<tr>
<td><strong>Construction Stores (Net of Provision)</strong></td>
<td>41317620</td>
<td></td>
<td></td>
<td></td>
<td>82601443</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>82601443</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note

The company has opted for deemed cost exemption as per Ind AS 101 'First time adoption of Indian Accounting Standarded' of Para D7AA. Accordingly carrying value is considered as deemed cost as on the date of transition i.e 1<sup>st</sup> April 2015.
Note 5 / Capital work in progress (Details of Construction stores) (At Cost)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Stores</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conductors</td>
<td>14225347</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>9387032</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>1690483181</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1714095560</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Less: Provision for shortages and obsolete material</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1714095560</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Construction Stores include:**

**Material with Contractors**

| Conductors                        | 14225347                | -                      | -                     |
| Other Line Materials              | 9387032                 | -                      | -                     |
| Sub-Station Equipments            | 1690483181              | -                      | -                     |
| **Total**                         | 1714095560              | -                      | -                     |
| **Grand total**                   | 1714095560              | -                      | -                     |

Note 6 / Other non-current Assets

(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advances for Capital Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Against bank guarantees</td>
<td>141547307</td>
<td>205983632</td>
<td>-</td>
</tr>
<tr>
<td><strong>Advances recoverable in cash or in kind or for value to be received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance with Customs Port Trust and other authorities</td>
<td>7938637</td>
<td>7938637</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>149485944</td>
<td>213922269</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 7 / Cash and Cash Equivalents

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance with banks</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In Current accounts</td>
<td>329517</td>
<td>19338</td>
<td>18070</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>329517</td>
<td>19338</td>
<td>18070</td>
</tr>
</tbody>
</table>

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing cash in hand as on 08.11.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Permitted payments</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash in hand as on 30.12.2016</td>
<td>NIL</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>
### Note 8 / Other Current Financial Assets
(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2015</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others *</td>
<td>5,257,869</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>5,257,869</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Others includes amount recoverable from contractors.

### Note 9 / Other current Assets
(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2015</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances recoverable in cash or in kind or for value to be received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance with Customs Port Trust and other authorities</td>
<td>8824659</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>6446</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>8824659</td>
<td>6446</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 10 / Equity Share capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2015</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>50000000 (31st March 2016, 5000000, 1st April 2015, 5000000) equity shares of ₹ 10/- each at par</td>
<td>50000000</td>
<td>50000000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td>10500000 (31st March 2016, 50000, 1st April 2015, 50000) equity shares of ₹ 10/- each at par fully paid up Share Capital deposit</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>Total</td>
<td>10500000</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

### Further Notes:

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>Amount (in ₹)</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50000</td>
<td>500000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>1000000</td>
<td>10000000</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>1050000</td>
<td>105000000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 31st March, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.of Shares</td>
<td>% of holding</td>
<td>No.of Shares</td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>1050000</td>
<td>100%</td>
<td>50000</td>
</tr>
</tbody>
</table>

**Note 11 / Other Equity**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td>(28177)</td>
<td>(28177)</td>
<td>(28177)</td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Balance</td>
<td>(28177)</td>
<td>(28177)</td>
<td>(28177)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>(28177)</td>
<td>(28177)</td>
<td>(28177)</td>
</tr>
</tbody>
</table>

**Note 12 / Borrowings**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from Power Grid Corporation of India Ltd. (Holding Company)</td>
<td>2045861974</td>
<td>303104838</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2045861974</td>
<td>303104838</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Inter Corporate loan is provided by the holding company Power Grid Corporation of India Ltd. at the Rate of interest which varies from 7.20% to 8.40% repayable in 10 to 20 years after the moratorium of 3 to 5 year.

**Note 13 / Other Non-current financial liabilities**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits / Retention money from contractors and others.</td>
<td>71812856</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>71812856</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note:- Discloser with regard to Micro and Small enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note No. 21.
Note 14 / Other Current Financial Liability

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A)</strong> Interest accrued but not due on borrowings from</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from Power Grid Corporation of India Ltd. (Holding Company)</td>
<td>52652563</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B)</strong> Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Dues for capital expenditure</td>
<td>85710376</td>
<td>20482619</td>
<td>40863867</td>
</tr>
<tr>
<td>ii) Deposits/Retention money from contractors and others.</td>
<td>20201</td>
<td>20201</td>
<td>-</td>
</tr>
<tr>
<td>iii) Other Liabilities</td>
<td>100000</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>85830577</td>
<td>20502820</td>
<td>40863867</td>
</tr>
</tbody>
</table>

Note:
Discloser with regard to Micro and Small enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note No. 21.

Note 15 / Other current liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>12467675</td>
<td>2408015</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12467675</td>
<td>2408015</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 16 / Other income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value gain on initial recognition of Financial liability</td>
<td>9461407</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9461407</td>
<td>-</td>
</tr>
<tr>
<td>Less: Income transferred to expenditure during construction (Net)-Note 20</td>
<td>9461407</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 17 / Finance costs

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Interest and finance charges on financial liabilities at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from Power Grid Corporation of India Ltd. (Holding Company)</td>
<td>59503786</td>
<td>16002115</td>
</tr>
<tr>
<td>ii) Unwinding of discount on financial liabilities</td>
<td>155773</td>
<td>-</td>
</tr>
<tr>
<td>iii) Others- Bank Charges</td>
<td></td>
<td>898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>59659559</td>
<td>16003013</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net)-Note 20</td>
<td>59659559</td>
<td>16003013</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
Note 18 / Depreciation and amortization expense

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>4077</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4077</td>
<td>-</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction (Net)-Note 20</td>
<td>4077</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 19 / Other expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power charges</td>
<td>1468247</td>
<td>985,040</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>-</td>
<td>22,800</td>
</tr>
<tr>
<td>Professional charges (Including TA/DA)</td>
<td>93320992</td>
<td>2,952,052</td>
</tr>
<tr>
<td>Travelling &amp; Conv.exp. (excluding foreign travel)</td>
<td>-</td>
<td>199,499</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>40000</td>
<td>35,642</td>
</tr>
<tr>
<td>Advertisement and publicity</td>
<td>-</td>
<td>80,396</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>-</td>
<td>46,840</td>
</tr>
<tr>
<td>Brokerage &amp; Commission</td>
<td>-</td>
<td>5,200</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>42303</td>
<td>104,667</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>500000</td>
<td>500000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>95371542</td>
<td>4932136</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net)-Note 20</td>
<td>95371542</td>
<td>4932136</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 20 / Expenditure during Construction (Net)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power charges</td>
<td>1468247</td>
<td>985040</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>-</td>
<td>22800</td>
</tr>
<tr>
<td>Professional charges (Including TA/DA)</td>
<td>93320992</td>
<td>2952052</td>
</tr>
<tr>
<td>Travelling &amp; Conv.exp. (Including Foreign Travel)</td>
<td>-</td>
<td>199499</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td>40000</td>
<td>35642</td>
</tr>
<tr>
<td>Advertisement and Publicity</td>
<td>-</td>
<td>80396</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>-</td>
<td>46840</td>
</tr>
<tr>
<td>Brokerage and commission</td>
<td>-</td>
<td>5200</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>42303</td>
<td>104667</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>500000</td>
<td>500000</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td>95371542</td>
<td>4932136</td>
</tr>
</tbody>
</table>
B. Depreciation/Amortisation  4077  -

C. Finance Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loan from Power Grid Corporation of India Ltd. (Holding Co.)</td>
<td>59503786</td>
<td>16002115</td>
</tr>
<tr>
<td>Unwinding of discount on financial liabilities</td>
<td>155773</td>
<td>-</td>
</tr>
<tr>
<td>Others- Bank Charges</td>
<td>-</td>
<td>898</td>
</tr>
<tr>
<td><strong>Total (C)</strong></td>
<td><strong>5969559</strong></td>
<td><strong>16003013</strong></td>
</tr>
</tbody>
</table>

D. Less: Other Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value gain on initial recognition of Financial liability</td>
<td>9461407</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total (D)</strong></td>
<td><strong>9461407</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**GRAND TOTAL (A+B+C-D)**  14557371  20935149

21: Based on information available with the company, there are no supplier’s/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>4</td>
<td>The amount of interest accrued and remaining unpaid at the end of each accounting year.</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

22: There are no employees on the payroll of the company.

23: Borrowing Cost Capitalized during the year ₹ 59659559 (₹ 16003013) in the respective carrying amount of Property, Plant & Equipment/ Capital Work in Progress (CWIP) as per Ind AS 27 “Borrowing Costs”

24: Fair Value Measurement

(Amount in ₹)

<table>
<thead>
<tr>
<th></th>
<th>31st March 2017</th>
<th>31st March 2016</th>
<th>01st April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised cost</td>
<td>FVOCI</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>329517</td>
<td>19338</td>
<td>18070</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>5257869</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>5587386</strong></td>
<td><strong>19338</strong></td>
<td><strong>18070</strong></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>2098514537</td>
<td>303104838</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>- 157643433</td>
<td>- 20502820</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td><strong>2256157970</strong></td>
<td><strong>323607658</strong></td>
<td><strong>40863867</strong></td>
</tr>
</tbody>
</table>
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>2069052510</td>
<td>-</td>
<td>2069052510</td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>-</td>
<td>157643433</td>
<td>-</td>
<td>157643433</td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>-</td>
<td>2226695943</td>
<td>-</td>
<td>2226695943</td>
<td></td>
</tr>
</tbody>
</table>

| At 31 March 2016 | | | | | |
| Financial assets | - | - | - | - | - |
| Total financial assets | - | - | - | - | - |
| Financial Liabilities | | | | | |
| Borrowings | - | 314214567 | - | 314214567 |
| Other financial liabilities | - | 20502820 | - | 20502820 |
| Total financial liabilities | - | 334717387 | - | 334717387 |

| At 31 March 2015 | | | | | |
| Financial assets | - | - | - | - | - |
| Total financial assets | - | - | - | - | - |
| Financial Liabilities | | | | | |
| Borrowings | - | 40863867 | - | 40863867 |
| Other financial liabilities | - | - | - | - | - |
| Total financial liabilities | - | 40863867 | - | 40863867 |

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company’s policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.
Fair value of financial assets and liabilities measured at amortized cost

![Table]

<table>
<thead>
<tr>
<th></th>
<th>31st March 2017</th>
<th>31st March 2016</th>
<th>1st April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td>Carrying Amount</td>
<td>Fair Value</td>
<td>Carrying Amount</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Borrowings**
- 2098514537
- 2069052510
- 303104838
- 314214567

**Other financial liabilities**
- 157643433
- 157643433
- 20502820
- 40863867

**Total financial liabilities**
- 2256157970
- 222695943
- 323607658
- 334717387
- 40863867
- 40863867

The carrying amounts of cash and cash equivalents, other current assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

25. Related party Transactions

(a) Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India- Holding Company</td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) Subsidiaries of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>31st Mar 2017</th>
<th>31st Mar 2016</th>
<th>01st Apr 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited **</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Ceased to be subsidiary of Holding company w.e.f. 02/01/2017.

** 100% equity in Medinipur Jeerat Transmission Limited acquired by holding company on 28/03/2017.
(c) Joint Ventures of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited *</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal-JV of Holding</td>
<td>-</td>
</tr>
</tbody>
</table>

* Ceased to be Joint Venture of Holding company w.e.f. 25/04/2016

(d) Key Management Personnel

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shri R. P. Sasmal</td>
<td>Chairman</td>
</tr>
<tr>
<td>2</td>
<td>Shri D K Valecha</td>
<td>Director</td>
</tr>
<tr>
<td>3</td>
<td>Shri Anil Jain</td>
<td>Director</td>
</tr>
<tr>
<td>4</td>
<td>Shri S Vaithilingam</td>
<td>Director</td>
</tr>
<tr>
<td>5</td>
<td>Shri Anil Sharma</td>
<td>CEO</td>
</tr>
</tbody>
</table>

(e) Transactions with related parties

The following transactions occurred with related parties:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Services received by the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>93311392</td>
<td>2942052</td>
</tr>
<tr>
<td>Total</td>
<td>93311392</td>
<td>2942052</td>
</tr>
</tbody>
</table>

(f) Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>10000000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10000000</td>
<td>-</td>
</tr>
</tbody>
</table>

(g) Interest on Loan

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>59503786</td>
<td>16002115</td>
</tr>
<tr>
<td>Total</td>
<td>59503786</td>
<td>16002115</td>
</tr>
</tbody>
</table>
(h) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>138322937</td>
<td>14774470</td>
<td>40830159</td>
</tr>
<tr>
<td>Total payables to related parties</td>
<td>138322937</td>
<td>14774470</td>
<td>40830159</td>
</tr>
</tbody>
</table>

(i) Loans to/from related parties

(Amount in ₹)

<table>
<thead>
<tr>
<th>Loans from Holding Company</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>2045861974</td>
<td>303104838</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2045861974</td>
<td>303104838</td>
<td>-</td>
</tr>
</tbody>
</table>

(j) Interest accrued on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>52652563</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>52652563</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

26. Segment Information

a) Business Segment

The Board of Directors is the company’s Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segment have been identified on the basis of product/services i.e. Transmission Network.

b) The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

27. Capital and other Commitment

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st Mar 17</th>
<th>As at 31st Mar 16</th>
<th>As at 01st Apr 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</td>
<td>93,42,00,000</td>
<td>238,83,00,000</td>
<td>227,10,00,000</td>
</tr>
</tbody>
</table>

28. Contingent Liabilities and Contingent Assets

There is no Contingent Liability/Assets as on 31st March 2017 (Nil 31st March 2016, Nil 1st April 2015)

29. Capital Management

a) Risk Management

The company’s objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company’s capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new
projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

b) Dividends

No dividend has been declared by the company in the previous year and current year.

30. Earnings per share

(Amount in ₹)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Basic and diluted earnings per share attributable to the equity holders of the company from continuing operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Reconciliation of earnings used in calculating earnings per share</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

31 Financial Risk Management

The Company’s principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company’s capital investments and operations.

The Company’s principal financial assets include cash and cash equivalents and other receivables, that are generated from its operations.

The Company’s activities expose it to the following financial risks, namely,

a) Credit risk,

b) Liquidity risk,

c) Market risk.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks.

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

(i) Trade Receivables

There is no trade receivable as on 31st March 2017 (Previous Year Nil)

(ii) Other Financial Assets (excluding trade receivables)

- Cash and cash equivalents
The Company held cash and cash equivalents of ₹ 329517 (31st March 2016: ₹ 19338, 1st April, 2015: ₹ 18070). The cash and cash equivalents are held with public sector banks and do not have any significant credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

  (Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March 2017</th>
<th>31st March 2016</th>
<th>1st April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>329517</td>
<td>19338</td>
<td>18070</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>5257869</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td>5587386</td>
<td>19338</td>
<td>18070</td>
</tr>
</tbody>
</table>

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)

| Trade receivables | Nil | Nil | Nil |

- **Provision for expected credit losses**

  (a) **Financial assets for which loss allowance is measured using 12 month expected credit losses**

  The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

  (b) **Financial assets for which loss allowance is measured using life time expected credit losses**

  There are no trade receivables as on reporting date, therefore no loss allowance is measured.

  (c) **Ageing analysis of trade receivables**

  There are no trade receivables as on reporting date, therefore ageing analysis of the trade receivables is not required.

**B) Liquidity risk**

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company’s liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

**Maturities of financial liabilities**

The table below analyses the Company’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.
The amount disclosed in the table is the contractual undiscounted cash flows.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Contractual maturities of financial liabilities</th>
<th>Within a year</th>
<th>Between 1-5 years</th>
<th>Beyond 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 March 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings (including interest outflows)</td>
<td>145707110</td>
<td>1692500738</td>
<td>1424036711</td>
<td>326244559</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>85830577</td>
<td>71812856</td>
<td>-</td>
<td>157643433</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>231537687</td>
<td>1764313594</td>
<td>1424036711</td>
<td>3419887992</td>
</tr>
<tr>
<td><strong>31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings (including interest outflows)</td>
<td>22841263</td>
<td>154458015</td>
<td>365924978</td>
<td>543224255</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>20502820</td>
<td>-</td>
<td>-</td>
<td>20502820</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>43344083</td>
<td>154458015</td>
<td>365924978</td>
<td>563727075</td>
</tr>
<tr>
<td><strong>01 April 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings (including interest outflows)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>40863867</td>
<td>-</td>
<td>-</td>
<td>40863867</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40863867</td>
<td>-</td>
<td>-</td>
<td>40863867</td>
</tr>
</tbody>
</table>

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk:

i. Currency risk

ii. Interest rate risk

i) Currency risk

As on reporting date the company does not have any exposure to currency risk in respect of loans and borrowings denominated in foreign currency and procurement of goods and services whose purchase consideration is in foreign currency.

ii) Interest rate risk

The Company is not exposed to any interest rate risk as it does not have any long term loans and borrowings with floating interest rates.

32. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, ‘Statement of cash flows’. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 ‘Statement of cash flows’:

The amendment to Ind AS 7 ‘Statement of cash flows’ requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.
33. First time adoption of IND AS

**Transition to IND AS**

These are the company’s first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company’s date of transition). In preparing its opening IND AS Balance Sheet, the company has to adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

There is no impact of Ind AS on the opening balance sheet as on 1st April 2015 and 31st March 2016 so there is no change in the Other Equity as on 31st March, 2016 and 1st April, 2015, total comprehensive Income and cash flow statement for the year ended 31st March, 2016 as Per Ind AS and previous GAAP.

34. Previous year figures have been regrouped and rearranged wherever necessary.

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**As per our report of even date**

For **Rakesh Ganesh & Associates**

Firm Regn. No. 020917N

(CA Rakesh Gupta)  
Proprietor  
M. No. 506825

(R.P. Sasmal)  
Chairman  
DIN : 02319702

(S. Vaithilingam)  
Director  
DIN : 07107854

For and on behalf of Board of Directors

Place: New Delhi  
Date: 29th June, 2017
INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF POWERGRID KALA AMB TRANSMISSION LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of the POWERGRID KALA AMB TRANSMISSION LIMITED (“the Company”), which comprise Balance Sheet as at March 31, 2017, the statement of Profit and Loss Account (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of change in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Ind AS financial statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit report under the provisions of the Act and Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company’s Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2017, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Section 143 (11) of the Companies Act 2013, we give in the Annexure ‘1’ a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. In terms of Section 143 (5) of the Companies Act 2013, we give in the Annexure ‘2’ a statement on the directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the statement of Profit and Loss (including Other Comprehensive Income), the statements of Cash Flows, and the Statement of Changes in equity dealt with by this report are in agreement with books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder;

e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure '3';

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

(iii) There are no due amounts to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The Company has provided requisite disclosures in the Ind AS Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from 08th November 2016 to 30th December 2016 and these are in accordance to the Books of Accounts maintained by the Company. Refer Note 7 to the Ind AS Financial Statements.

For Rakesh Ganesh & Associates
Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta
Proprietor
Membership No. 506825
Place : New Delhi
Date : 29th June, 2017
As referred to in our Independent Auditors’ Report to the members of the **Powergrid Kala Amb Transmission Limited**, on the Ind AS financial statements for the year ended 31st March, 2017, we report that:

(i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant & Equipment).

    (b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable. No material discrepancies were noticed on such verification.

    (c) According to the information and explanations given to us, the company has only immovable property of land as at the Balance sheet date and the title of the same is in the name of the company.

(ii) The company does not have any Inventories. Accordingly clause 3(ii) of the Order is not applicable to the company.

(iii) As explained to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly clauses 3(iii) (a) to 3(iii)(c) are not applicable to the company.

(iv) As explained to us, the company does not have loans, investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013 and accordingly clause 3(iv) of the Order is not applicable to the company.

(v) The company has not accepted any deposits during the year.

(vi) Provisions relating to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable at present as the Company is yet to commence commercial operations and accordingly clause 3(vi) of the Order is not applicable to the company.

(vii) In respect of statutory dues:

    (a) The company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities to the extent applicable to the company. According to the information and explanations given to us , no undisputed amounts payable in respect of such statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable;

    (b) As explained there are there are no outstanding dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders. Accordingly clause 3(viii) of the Order is not applicable to the company.

(ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans except inter corporate borrowings from the holding company and the loan so received from the holding company has been applied for the purposes for which it is received.

(x) According to the information and explanations given to us, and based on specific audit procedure adopted for the purpose of reporting true and fair view of Ind AS financial statements, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) As explained to us, the company has not paid or provided for managerial remuneration for the year under review. Accordingly provisions of section 197 of the Companies Act, 2013 are not applicable and also clause 3(xi) of the Order is not applicable to the company.

(xii) The company is not a Nidhi Company attracting Nidhi Rules, 2014. Accordingly, clause 3(xii) of the Order is not applicable to the company.

(xiii) According to the information and explanations given to us, and based on specific audit procedures, we report that all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the relevant details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards and the Companies Act, 2013.

(xiv) According to the information and explanations given to us and the records of the company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore provisions of section 42 of the Companies Act, 2013 are not applicable and as also clause 3(xiv) of the Order is not applicable to the company.
(xv) According to the information and explanations given to us and the records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of section 192 of the Companies Act, 2013 are not applicable. Accordingly clause 3(xv) of the Order is not applicable to the company;

(xvi) According to the information and explanations given to us the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3(xvi) of the Order is not applicable to the company.

For Rakesh Ganesh & Associates
Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta
Proprietor
Membership No. 506825
Place : New Delhi
Date : 29th June, 2017
## Annexure ‘2’ to the Auditors Report

As referred to in our Independent Auditors’ Report to the members of the **Powergrid Kala Amb Transmission Limited**, on the Ind AS financial statements for the year ended 31st March, 2017.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Directions</th>
<th>Auditors’ Comments</th>
<th>Action taken by management</th>
<th>Impact on financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the company has clear title / lease deeds for freehold, leasehold land &amp; building and flats? If not, please state the area of the freehold, leasehold land and buildings/flats for which title / lease deeds are not available.</td>
<td>Yes, the Company has clear title for freehold land.</td>
<td>No Action Required</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.</td>
<td>According to the information and representations provided to us, there are no cases of waiver / write off of debts / loans / interest etc during the financial year.</td>
<td>No Action Required</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties &amp; assets received as gift, grant(s) from the Govt. or other authorities.</td>
<td>The company has maintained adequate records in respect of inventories lying with third parties and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities.</td>
<td>Proper records are maintained</td>
<td>Nil</td>
</tr>
</tbody>
</table>

For Rakesh Ganesh & Associates  
Chartered Accountants  
Firm Registration No. 020917N

**Rakesh Gupta**  
Proprietor  
Membership No. 506825  
Place : New Delhi  
Date : 29th June, 2017
Annexure '3' to the Auditors Report

As referred to in our Independent Auditors’ Report to the members of the Powergrid Kala Amb Transmission Limited, on the Ind AS financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls in terms of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of the Company as at 31st March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rakesh Ganesh & Associates
Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta
Proprietor
Membership No. 506825
Place : New Delhi
Date : 29th June, 2017
COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of Powergrid Kala Amb Transmission Limited for the year ended 31st March, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For Rakesh Ganesh & Associates
Chartered Accountants
Firm Registration No. 020917N

Rakesh Gupta
Proprietor
Membership No. 506825
Place : New Delhi
Date : 29th June, 2017
NOTICE

Notice is hereby given that the Third Annual General Meeting of POWERGRID Parli Transmission Limited [formerly Gadarwara (B) Transmission Limited] will be held on Friday, 29th September, 2017 at 12 Noon at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi–110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Reports of Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri R.P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“Resolved that pursuant to provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri V.K. Khare (DIN: 07932173) who was appointed as an Additional Director of the Company as per the provisions of Section 161(1) of the Companies Act, 2013 read with clause 75 of Articles of Association and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

By order of the Board
For POWERGRID Parli Transmission Limited
sd/
S. Vaithilingam
Director
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017

NOTES:

1. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOIN A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Meeting is called at a shorter notice, thus the members are requested to give their consent for the same in the attached Form.
4. POWERGRID Parli Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (“the Act”). Pursuant to the section 139(5) of the Act, the auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 2nd Annual General Meeting held on 30th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the financial year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and local travel expenses and other incidental out of pocket expenses.
5. The members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the financial year 2017-18, after taking into consideration the volume of work and prevailing inflation.
Annexure to Notice

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Shri V.K. Khare (DIN: 0007932173), was appointed as an Additional Director on the Board of POWERGRID Parli Transmission Limited (formerly Gadarwara (B) Transmission Limited), w.e.f 07.09.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 & clause 75 of Articles of Association. In terms of the provisions of Companies Act, 2013, Shri V.K. Khare holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri V.K. Khare for the office of Director. Shri V.K. Khare, if appointed, will be liable to retire by rotation.

Shri V.K. Khare, aged nearly 58 years, is Executive Director (WR-I) of Power Grid Corporation of India Limited and nominated as Director in your Company w.e.f. 07.09.2017. He holds a Bachelor Degree in Electrical Engineering.

None of the Directors of the Company or their relatives except Shri V.K. Khare is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri V. K. Khare, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution for your approval.

By order of the Board
For POWERGRID Parli Transmission Limited

sd/
S. Vaithilingam
Director
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017
DIRECTORS’ REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Third Annual Report of POWERGRID Parli Transmission Limited (formerly Gadarwara (B) Transmission Limited) on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2017.

POWERGRID Parli Transmission Limited (formerly Gadarwara (B) Transmission Limited) was acquired /taken over by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B). Consequent to such acquisition, PPTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the State of Maharashtra and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Parli. The Company has been granted transmission license by CERC in July, 2015. The Project is under progress and expected to be completed in January, 2018.

Financial Performance

As on 31st March, 2017, the Company has not yet started commercial operations as the project is under execution. The expenditure of ₹ 482,19,140/- incurred during the year has been included under Capital Work in progress.

Share Capital

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2017 of the Company were ₹ 20 crore and ₹ 10 lac respectively.

Dividend and Transfer to Reserves

Your Company’s Project is under implementation hence, there is no operating profit.

Particulars of Loans, Guarantees or Investments

Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

Fixed Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

Your Company do not have any subsidiaries, joint ventures and associate companies.

Director’s Responsibility Statement

As required under section 134 (3) (c) & 134(5) of the Companies Act, your Directors confirm that:

a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/loss of the company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the Annual Accounts on a going concern basis; and

e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.
Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at Annexure –II to this Report.

Board of Directors

As on 31st March, 2017, the Board comprised four Directors viz. Shri. R. P. Sasmal, Shri D.K. Valecha, Shri S. Vaithilingam and Shri. S. K. Gupta. There is no change in the composition of Board of Directors during the year.

Subsequently, Shri. V.K. Khare has been appointed as Additional Director w.e.f. 07.09.2017 who holds office upto the date of ensuing Annual General Meeting. The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri. V.K. Khare as Director, liable to retire by rotation in the ensuing Annual General Meeting.

Also, Shri S. K. Gupta ceased to be Director of the Company w.e.f. 06.09.2017.

In accordance with the provisions of the Companies Act, 2013, Shri R.P. Sasmal shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, thirteen (13) meetings of Board of Directors were held on 01.04.2016, 11.04.2016, 23.05.2016, 02.06.2016, 05.07.2016, 11.07.2016, 20.07.2016, 19.08.2016, 19.09.2016, 30.09.2016, 27.12.2016, 16.03.2017 and 30.03.2017. The detail of number of meetings attended by each Director during the financial year 2016-17 are as under:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R.P. Sasmal</td>
<td>Chairman</td>
<td>13</td>
</tr>
<tr>
<td>Shri D.K. Valecha</td>
<td>Director</td>
<td>12</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>13</td>
</tr>
<tr>
<td>Shri S.K. Gupta</td>
<td>Director</td>
<td>2</td>
</tr>
</tbody>
</table>

Committees of the Board

Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has constituted Audit Committee of Directors on 30th March, 2017. The Audit Committee comprises three members viz. Shri S. Vaithilingam, Shri D.K. Valecha and Shri S.K. Gupta as its members with Shri S. Vaithilingam as Chairman. During the year, no meeting of Audit committee was held.

Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted Nomination & Remuneration Committee of Directors (the NRC) on 30th March, 2017. The NRC comprises three members viz. Shri D.K. Valecha, Shri S. Vaithilingam and Shri S.K. Gupta as its members with Shri D.K. Valecha as Chairman. During the year, no meeting of NRC was held.

Corporate Social Responsibility (CSR)

Your Company’s Project is under implementation, hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors’ report.

Statutory Auditors

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

Auditors’ Report

The Statutory Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.
Comptroller and Auditor General’s (C&AG) Comments

Comptroller and Auditor General vide letter dated 3rd August, 2017 has decided not to conduct the supplementary audit of the financial statements of the Company for the year ended 31st March, 2017 and as such have no comments to make under section 143(6)(b) of the Companies Act, 2013. Copy of letter dated 3rd August, 2017 of ‘NIL’ comments received form C&AG is placed at Annexure-III to this report.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

Place: New Delhi
Date: 18th September, 2017
ANNEXURE-I

POWERGRID PARLI TRANSMISSION LIMITED

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>S I . No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>b Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>c Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>d Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>e Justification for entering into such contracts or arrangements or transactions</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>f Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>g Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>h Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>S I . No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a Name(s) of the related party &amp; nature of relationship</td>
<td>Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 24.04.2015].</td>
</tr>
<tr>
<td></td>
<td>b Nature of contracts/arrangements/transaction</td>
<td>Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of ₹ 1780 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.</td>
</tr>
<tr>
<td></td>
<td>c Duration of the contracts/arrangements/transaction</td>
<td>Part (A) As mutually agreed. Part (B) Commissioning of the project including associated reconciliation activities.</td>
</tr>
<tr>
<td></td>
<td>d Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>Refer (b)</td>
</tr>
<tr>
<td></td>
<td>e Date of approval by the Board</td>
<td>09.06.2015 &amp; 27.12.2016 [for Part (A)], 29.02.2016 [for Part (B)]</td>
</tr>
<tr>
<td></td>
<td>f Amount paid as advances, if any</td>
<td>-</td>
</tr>
</tbody>
</table>

For and on behalf of
For POWERGRID Parli Transmission Limited

sd /
(R. P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi
Date: 18th September, 2017
## I. REGISTRATION AND OTHER DETAILS:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>CIN</th>
<th>Registration Date</th>
<th>Name of the Company</th>
<th>Category/ Sub-Category of the Company</th>
<th>Address of the Registered office and contact details</th>
<th>Whether listed company</th>
<th>Name, Address and Contact details of Registrar and Transfer Agent, if any</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td></td>
<td></td>
<td></td>
<td>Public Limited Company / Indian Government Company</td>
<td>B-9 Qutub Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121 Fax:011-26601081</td>
<td>No</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/services</th>
<th>NIC Code of the Product/service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and address of the Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)*</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

*HOLDING COMPANY ON & FROM 24.04.2015.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6*</td>
<td>6*</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp</td>
<td>0</td>
<td>499994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>50000$</td>
<td>50000$</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Subsidaries’ Accounts

Annual Report 2016-17 291
<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>k) Any Other...</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(2):-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B. Public Shareholding</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1. Institutions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>g) FIIs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (B)(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Non-Institutions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(i) Indian</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b) Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) Others (Specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (B)(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Public Shareholding (B) = (B)(1)+ (B)(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>0</td>
<td>50000</td>
<td>50000</td>
</tr>
</tbody>
</table>

Notes:

$ Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B). Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of ₹ 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.
## ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>49994</td>
<td>99.988</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>3.</td>
<td>Shri R.T. Agarwal jointly with POWERGRID*</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Ravi P. Singh jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R. P. Sasmal jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>6.</td>
<td>Shri D. K. Valecha jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>7.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID*</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>8.</td>
<td>Shri Ranjan Kumar Shrivastava jointly with POWERGRID</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>50000</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

*01 Equity share held by Shri R. T. Agarwal (jointly with POWERGRID) transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016.

## iii. Change in Promoters’ Shareholding (please specify, if there is no change)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>50000</td>
<td>100</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>1. 50000 Equity Shares of ₹ 10/- each were allotted to POWERGRID on 02.06.2016 in terms of Section 62(1) of the Companies Act, 2013.</td>
<td>2. 01 Equity share held by Shri R.T. Agarwal (jointly with POWERGRID) was transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016. (May please also refer information provided under Sr. No. IV (ii) above).</td>
</tr>
<tr>
<td>At the End of the year</td>
<td>100000</td>
<td>100</td>
</tr>
</tbody>
</table>

$100000 shares w.e.f. 02.06.2016 upon allotment of 50000 Equity shares to POWERGRID

**Note:**

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System, associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B). Pursuant to such selection and in accordance with the provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL) [the bid process coordinator], the Company and POWERGRID, 50,000 equity shares of ₹ 10/- each held in the Company by POWERGRID & its nominees jointly with POWERGRID on 24.04.2015.
iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Top ten shareholders</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the End of the year</td>
<td>-</td>
</tr>
</tbody>
</table>

v. Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>For each of Directors and KMP</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>1</td>
<td>Shri R. P. Sasmal, Chairman</td>
<td>01**</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01**</td>
<td>0.001</td>
</tr>
<tr>
<td>2</td>
<td>Shri D.K. Valecha, Director</td>
<td>01**</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01**</td>
<td>0.001</td>
</tr>
<tr>
<td>3</td>
<td>Shri S. Vaithilingam, Director</td>
<td>01**</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>01**</td>
<td>0.001</td>
</tr>
<tr>
<td>4</td>
<td>Shri S. K. Gupta, Director</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Ceased to be Director w.e.f. 06.09.2017.
$ 0.001% w.e.f. 02.06.2016 upon allotment of 50000 Equity shares to POWERGRID.
**Jointly with POWERGRID.
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

<table>
<thead>
<tr>
<th></th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>-</td>
<td>52,750,000</td>
<td>-</td>
<td>52,750,000</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>52,750,000</td>
<td>-</td>
<td>52,750,000</td>
</tr>
</tbody>
</table>

Change in Indebtedness during the financial year

- Addition | - | 440,11,75,560 | - | 440,11,75,560 |
- Reduction | - | - | - | - |

Net Change | - | 440,11,75,560 | - | 440,11,75,560 |

Indebtedness at the end of the financial year

| | | | | |
| i) Principal Amount | 445,39,25,560 | 44,53,925,560 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 99,873,257 | - | 99,873,257 |
| Total (i+ii+iii) | - | 455,37,98,817 | - | 455,37,98,817 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(a) as % of profit</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) others, specify...</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ceiling as per the Act</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### B. Remuneration to other directors (Not Applicable):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Independent Directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total (1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Other Non-Executive Directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total (2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total (B)=(1+2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total Managerial Remuneration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Overall Ceiling as per the Act</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1.</td>
<td><strong>Gross salary</strong></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td><strong>Stock Option</strong></td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td><strong>Sweat Equity</strong></td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td><strong>Commission</strong></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Others, please specify</strong></td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td><strong>Total</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/ Punishment/ Compounding fees imposed</th>
<th>Authority [RD/ NCLT/Court]</th>
<th>Appeal made, If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>B. Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>C. Other Officers In Default</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punishment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compounding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

For and on behalf of
For POWERGRID Parli Transmission Limited

sd/
(R. P. Sasmal)
Chairman
DIN: 02319702

Place: New Delhi
Date: 18th September, 2017
ANNEXURE - III THE DIRECTORS’ REPORT

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INID UNDER SECTION 143(6)(b) of the COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID PARLI TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Parli Transmission Limited, for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 July 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial Powergrid Parli Transmission Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi
Date : 03 August, 2017
## Balance Sheet as at 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant and Equipment</td>
<td>4</td>
<td>41,390,702</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Capital Work-in-Progress</td>
<td>5</td>
<td>5,062,846,815</td>
<td>240,933,675</td>
<td>186,630,195</td>
</tr>
<tr>
<td>(c) Other Non-Current Assets</td>
<td>6</td>
<td>563,406,120</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cash and Cash Equivalents</td>
<td>7</td>
<td>7,670,356</td>
<td>5,557,775</td>
<td>19,550</td>
</tr>
<tr>
<td>(ii) Other Current Financial Assets</td>
<td>8</td>
<td>123,616</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>7,793,972</td>
<td>5,557,775</td>
<td>19,550</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share Capital</td>
<td>9</td>
<td>1,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>10</td>
<td>(2,461)</td>
<td>(33,329)</td>
<td>(33,329)</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td>997,539</td>
<td>466,671</td>
<td>466,671</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Borrowings</td>
<td>11</td>
<td>4,453,925,560</td>
<td>52,750,000</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Other Non-Current Financial Liability</td>
<td>12</td>
<td>171,622,671</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td>4,625,548,231</td>
<td>52,750,000</td>
<td>-</td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Trade Payables</td>
<td>13</td>
<td>-</td>
<td>18,000</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Other Current Financial Liability</td>
<td>14</td>
<td>1,020,934,376</td>
<td>188,762,359</td>
<td>171,159,830</td>
</tr>
<tr>
<td>(b) Other Current Liabilities</td>
<td>15</td>
<td>27,914,463</td>
<td>4,519,420</td>
<td>15,023,244</td>
</tr>
<tr>
<td>(c) Provisions</td>
<td>16</td>
<td>43,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(d) Current Tax Liabilities (Net)</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td>1,048,891,839</td>
<td>193,299,779</td>
<td>186,183,074</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>5,675,437,609</td>
<td>246,516,450</td>
<td>186,649,745</td>
</tr>
</tbody>
</table>

The accompanying Notes (1 to 38) form an Integral Part of Financial Statements.

As per our report of even date
For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

For and on behalf of Board of Directors

(CA Abhijit Kelkar)
Partner
Mem. No. 110841
Place: Nagpur
Date: 07th July, 2017

(R.P. Sasmal)
Chairman
DIN : 02319702
Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854

Subsidiaries’ Accounts
Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Revenue From Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II Other Income</td>
<td>18</td>
<td>44,672</td>
<td>-</td>
</tr>
<tr>
<td>III Total Income (I+II)</td>
<td></td>
<td>44,672</td>
<td>-</td>
</tr>
<tr>
<td>IV EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Costs</td>
<td>19</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and Amortization Expense</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>20</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses (IV)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>V Profit/(Loss) Before Tax (III- IV)</td>
<td></td>
<td>44,672</td>
<td>-</td>
</tr>
<tr>
<td>VI Tax Expense:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Current Tax</td>
<td></td>
<td>13,804</td>
<td>-</td>
</tr>
<tr>
<td>(2) Deferred Tax</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>13,804</td>
<td>-</td>
</tr>
<tr>
<td>VII Profit (Loss) for the Period (V-VI)</td>
<td></td>
<td>30,868</td>
<td>-</td>
</tr>
<tr>
<td>VIII Other Comprehensive Income</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>IX Total Comprehensive Income for the period (VII+VIII)</td>
<td></td>
<td>30,868</td>
<td>-</td>
</tr>
<tr>
<td>X Earnings per Equity Share (Par Value ₹ 10 each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Basic (₹)</td>
<td></td>
<td>0.34</td>
<td>-</td>
</tr>
<tr>
<td>(2) Diluted (₹)</td>
<td></td>
<td>0.34</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying Notes (1 to 38) form an Integral Part of Financial Statements

As per our report of even date
For  Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Nagpur
Date: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702
Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854
# Cash Flow Statement

for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A  CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit /(Loss) Before Tax</td>
<td>44,672</td>
<td></td>
</tr>
<tr>
<td>Operating Profit /(Loss) before Working Capital Changes</td>
<td>44,672</td>
<td></td>
</tr>
<tr>
<td>Adjustments For :-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Non-Current Assets</td>
<td>(563,381,120)</td>
<td>(25,000)</td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Current Financial Assets</td>
<td>(123,616)</td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Trade Payable</td>
<td>(18,000)</td>
<td>18,000</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Current Liabilities</td>
<td>23,395,043</td>
<td>(10,503,824)</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Current Financial Liabilities</td>
<td>832,172,017</td>
<td>17,602,529</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Financial Liabilities</td>
<td>171,622,671</td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in Provisions</td>
<td>43,000</td>
<td></td>
</tr>
<tr>
<td>Cash Generated From Operations</td>
<td>463,754,667</td>
<td>7,091,705</td>
</tr>
<tr>
<td>Income Tax Paid</td>
<td>(13,804)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash from Operating Activities</strong></td>
<td>463,740,863</td>
<td>7,091,705</td>
</tr>
<tr>
<td><strong>B  CASH FLOW FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Work in Progress and Property Plant &amp; Equipments</td>
<td>(4,863,303,842)</td>
<td>(54,303,480)</td>
</tr>
<tr>
<td><strong>Net Cash used in Investing Activities</strong></td>
<td>(4,863,303,842)</td>
<td>(54,303,480)</td>
</tr>
<tr>
<td><strong>C  CASH FLOW FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of Share Capital</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Long Term Loan From Power Grid Corp. of India Ltd.</td>
<td>4,401,175,560</td>
<td>52,750,000</td>
</tr>
<tr>
<td><strong>Net Cash from Financing Activities</strong></td>
<td>4,401,675,560</td>
<td>52,750,000</td>
</tr>
<tr>
<td><strong>D  Net Change in Cash and Cash Equivalents (A+B+C)</strong></td>
<td>2,112,581</td>
<td>5,538,225</td>
</tr>
<tr>
<td><strong>E  Cash and Cash Equivalents (Opening Balance)</strong></td>
<td>5,557,775</td>
<td>19,550</td>
</tr>
<tr>
<td><strong>F  Cash and Cash Equivalents (Closing Balance) (D+E)</strong></td>
<td>7,670,356</td>
<td>5,557,775</td>
</tr>
</tbody>
</table>

The accompanying Notes (1 to 38) form an Integral Part of Financial Statements

As per our report of even date
For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841

Place: Nagpur
Date: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702

(S. Vaithilingam)
Director
DIN : 07107854

Place: Gurgaon
Date: 07th July, 2017
Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>500,000.00</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>-</td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>500,000.00</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>500,000.00</td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>1,000,000.00</td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th></th>
<th>Capital Reserve</th>
<th>Securities Premium Reserve</th>
<th>Self Insurance Reserve</th>
<th>General Reserve</th>
<th>Retained Earnings</th>
<th>Fair Value through Other Comprehensive Income</th>
<th>Other items of Other Comprehensive Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(33,329)</td>
<td>-</td>
<td>-</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Restated balance at the beginning of the reporting period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(33,329)</td>
<td>-</td>
<td>-</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Balance at 1st April, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(33,329)</td>
<td>-</td>
<td>-</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,868</td>
<td>-</td>
<td>-</td>
<td>30,868</td>
</tr>
<tr>
<td>Transfer to Self Insurance Reserve</td>
<td>-</td>
<td>30,868</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Changes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>-</td>
<td>-</td>
<td>30,868</td>
<td>-</td>
<td>(33,329)</td>
<td>-</td>
<td>-</td>
<td>(2,461)</td>
</tr>
</tbody>
</table>

Refer to Note 10 for Nature & Movement of Other Equity

As per our report of even date
For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Nagpur
Date: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal) (S. Vaithilingam)
Chairman Director
DIN : 02319702 DIN : 07107854

CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Gurgaon
Date: 07th July, 2017
Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Parli Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katvaria Sarai, New Delhi, India. It is principally engaged in implementation, operation and maintenance of Transmission Lines & Sub-Stations.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 07.07.2017

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereof.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note No. 2.11 for accounting policy regarding financial instruments).

iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupee, except as stated otherwise.

iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Measurement on Transition to Ind AS

On the date of transition to Ind AS, the company has considered the carrying value of Property, Plant and Equipment as per Previous GAAP to be the deemed cost as per Ind AS 101 "First Time Adoption of Indian Accounting Standard".

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the Date of Commercial Operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

**De-Recognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

### 2.3 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

### 2.4 Intangible Assets and Intangible Assets under development

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

### 2.5 Depreciation / Amortization

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff, except for assets specified in following paragraphs.
Depreciation on following assets is provided based on estimated useful life as per technical assessment.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3 years</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as Nil.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with nil residual value.

Mobile phones are charged off in the year of purchase.

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets following the rates and methodology notified by CERC.

The residual values, useful lives and methods of depreciation for are reviewed at each financial year end and adjusted prospectively, wherever required.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with rates and methodology notified by CERC Tariff Regulations. Leasehold land acquired on perpetual lease is not amortized.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets till the assets are ready for the intended use.

Other borrowing costs are charged to revenue.

2.7 Impairment of Non-Financial Assets, other than Inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spare parts which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.
2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

b) Operating lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances and other Financial Assets.

Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the following:

- The entity’s business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.
De-recognition of financial assets

A Financial Asset is derecognized only when

- The group has transferred the rights to receive cash flows from the financial asset OR
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company’s financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates (‘the Functional Currency’). The Financial Statements are presented in Indian Rupees (Rupees or ₹), which is the Company’s Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the rates of exchange ruling on the date of Balance Sheet. Non-Monetary Items denominated in Foreign Currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for Accounting for Exchange Differences arising from Translation of Long Term Foreign Currency Monetary Liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.
Current Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company’s financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement entered between the Transmission Service Provider and the Long Term Transmission Customers.

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

2.15 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized.

2.17 Share Capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriated of Current Year Profit to mitigate future losses from un-insured risk. The same is shown as “Self-Insurance reserve” under "Other Equity".
2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per Indirect Method prescribed in the Ind AS 7 “Statement of Cash Flows”.

3. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment of applying the company’s accounting policies.

Estimates and judgements are continually evaluated in line with progress of the project and they are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.
### Note 4 / Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2017</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freehold</td>
<td></td>
<td></td>
<td>41,390,702</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>41,390,702</td>
</tr>
<tr>
<td>Total</td>
<td>41,390,702</td>
<td></td>
<td>41,390,702</td>
<td>41,390,702</td>
<td></td>
<td></td>
<td></td>
<td>41,390,702</td>
</tr>
<tr>
<td>Previous Year Total</td>
<td>41,390,702</td>
<td></td>
<td></td>
<td>41,390,702</td>
<td></td>
<td></td>
<td></td>
<td>41,390,702</td>
</tr>
</tbody>
</table>

**Further Note** - The Company owns 27.11 Hectare (Nil Hectare as on 31.03.2016) (Nil Hectare as on 01.04.2015) of Freehold Land amounting to ₹ 4,13,90,702/- (₹ Nil as on 31.03.2016) (₹ Nil as on 01.04.2015).
Note 5/Capital work-in-progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April 2016</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>246,702</td>
<td>41,144,000</td>
<td>-</td>
<td>41,390,702</td>
<td>-</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Stations &amp; Office</td>
<td>-</td>
<td>20,491,533</td>
<td>-</td>
<td>-</td>
<td>20,491,533</td>
</tr>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Transmission</td>
<td>186,630,195</td>
<td>2,677,915,631</td>
<td>-</td>
<td>-</td>
<td>2,864,545,826</td>
</tr>
<tr>
<td>b) Sub-Station</td>
<td>-</td>
<td>2,568,860</td>
<td>-</td>
<td>-</td>
<td>2,568,860</td>
</tr>
<tr>
<td><strong>Expenditure Pending Allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure During Construction Period (Net) (Note 21)</td>
<td>54,056,778</td>
<td>351,167,512</td>
<td>-</td>
<td>-</td>
<td>405,224,290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>240,933,675</td>
<td>4,863,303,842</td>
<td>-</td>
<td>41,390,702</td>
<td>5,062,846,815</td>
</tr>
</tbody>
</table>

Note 5/Capital work-in-progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April 2015</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>-</td>
<td>246,702</td>
<td>-</td>
<td>-</td>
<td>246,702</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Stations &amp; Office</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Transmission</td>
<td>186,630,195</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>186,630,195</td>
</tr>
<tr>
<td>Construction Stores</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expenditure Pending Allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure During Construction Period (Net) (Note 21)</td>
<td>54,056,778</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54,056,778</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>186,630,195</td>
<td>54,303,480</td>
<td>-</td>
<td>-</td>
<td>240,933,675</td>
</tr>
</tbody>
</table>

Further Note - The Company has opted for Deemed Cost Exemption as per Para D7AA of Ind AS 101 “First Time Adoption of Indian Accounting Standards”. Accordingly Carrying Value is considered as Deemed Cost as on the Date of Transition i.e. 1st April 2015.
Note 5/Capital work in progress (Details of Construction stores)

(At Cost)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Stores</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>896,702,744</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conductors</td>
<td>767,234,456</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>103,004,448</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>38,092</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unified Load Despatch &amp; Communication (ULDC) Materials</td>
<td>3,036,566</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,770,016,306</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Construction Stores include:

i) **Material in Transit**

   - Other Line Materials
     - 28,752,241

   **Total**
     - 28,752,241

ii) **Material with Contractors**

   - Towers
     - 896,702,744
   - Conductors
     - 767,234,456
   - Other Line Materials
     - 74,252,207
   - Sub-Station Equipments
     - 38,092
   - Unified Load Despatch & Communication (ULDC) Materials
     - 3,036,566

   **Total**
     - 1,741,264,065

**Grand Total**
- 1,770,016,306

Note 6 / Other Non-current Assets

(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) <strong>Advances for Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Against Bank Guarantees</td>
<td>562,083,210</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B) <strong>Security Deposits</strong></td>
<td>25,000</td>
<td>25,000</td>
<td>-</td>
</tr>
<tr>
<td>C) <strong>Advances recoverable in</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash or in kind or for value to be received</td>
<td>1,311,714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance tax and Tax deducted at source</td>
<td></td>
<td>1,297,910</td>
<td>-</td>
</tr>
<tr>
<td>Less: Current Tax</td>
<td>13,804</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>563,406,120</td>
<td>25,000</td>
<td>-</td>
</tr>
</tbody>
</table>
Note 7 / Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Current accounts</td>
<td>7,670,356</td>
<td>5,557,775</td>
<td>19,550</td>
</tr>
<tr>
<td>Total</td>
<td>7,670,356</td>
<td>5,557,775</td>
<td>19,550</td>
</tr>
</tbody>
</table>

Further Note -
Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(+) Permitted Receipts</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Permitted Payments</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Amount deposited in banks</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Closing Cash in Hand as on 30.12.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Note 8 / Other Current Financial Assets
(Unsecured considered good unless otherwise stated)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others Receivable</td>
<td>123,616</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>123,616</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 9 / Equity Share capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Share Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Authorised</strong></td>
<td>200,000,000</td>
<td>200,000,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Issued, subscribed and paid up</strong></td>
<td>1,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>
Further Notes:

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>Amount in ₹</td>
</tr>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>50,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>100,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Power Grid Corporation of India Limited</td>
<td>100,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>ii) REC Transmission Projects Co. Ltd.</td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

As at 1st March, 2017 50,000 Equity Shares are Held by Nominees of M/s Power Grid Corporation of India Ltd on its behalf. Out of 50,000 Equity Shares in 01.04.2015, 6 Equity Shares are Held by Nominees of M/s REC Transmission Projects Co. Ltd. on its behalf.

Note 10 / Other Equity

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve &amp; Surplus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Self Insurance Reserve #</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the Beginning of the Year</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions During The Year</td>
<td>30,868</td>
<td>30,868</td>
<td>-</td>
</tr>
<tr>
<td>Balance at the End of the Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Retained Earnings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the Beginning of the Year</td>
<td>(33,329)</td>
<td>(33,329)</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Net Profit for the Period</td>
<td>30,868</td>
<td>-</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Transfer To Self Insurance Reserve</td>
<td>(30,868)</td>
<td>(33,329)</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Balance at the End of the Year</td>
<td>(33,329)</td>
<td>(33,329)</td>
<td>(33,329)</td>
</tr>
<tr>
<td>Total</td>
<td>(2,461)</td>
<td>(33,329)</td>
<td>(33,329)</td>
</tr>
</tbody>
</table>

Further Note:

# Self Insurance Reserve

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year to mitigate future losses from un-insured risk.
Note 11 / Borrowings

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Loan From Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans (Unsecured)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.)</td>
<td>₹4,453,925,560</td>
<td>₹52,750,000</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>₹4,453,925,560</td>
<td>₹52,750,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Further Note - Inter Corporate Loan is provided by Holding Company on Cost to Cost Basis at the Rate of Interest which varies from 7.20% To 8.32% repayable over a Period of 4 to 20 Years.

Note 12 / Other Non-current financial Liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues for Capital Expenditure</td>
<td>₹171,622,671</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>₹171,622,671</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Further Note - Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 30

Note 13 / Trade Payables

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Goods and Services</td>
<td>-</td>
<td>₹18,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>₹18,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Further Note - Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 30

Note 14 / Other Current Financial Liability

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Interest accrued but not due on borrowings from Related Parties ** - M/s Power Grid Corp. of India Ltd.</td>
<td>₹99,873,257</td>
<td>₹99,873,257</td>
<td>-</td>
</tr>
<tr>
<td>B) Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Dues for Capital Expenditure</td>
<td>₹489,284,074</td>
<td>-</td>
<td>₹171,159,830</td>
</tr>
<tr>
<td>ii) Deposits/Retention money from contractors and others.</td>
<td>₹430,338,163</td>
<td>-</td>
<td>₹171,159,830</td>
</tr>
<tr>
<td>iii) Others</td>
<td>₹1,438,882</td>
<td>-</td>
<td>₹171,159,830</td>
</tr>
<tr>
<td>Total</td>
<td>₹1,020,934,376</td>
<td>₹188,762,359</td>
<td>₹171,159,830</td>
</tr>
</tbody>
</table>
Further Note -
Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 30

**Breakup of Related Parties is provided in Note 32

Note 15 / Other Current Liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>27,914,463</td>
<td>4,519,420</td>
<td>15,023,244</td>
</tr>
<tr>
<td>Total</td>
<td>27,914,463</td>
<td>4,519,420</td>
<td>15,023,244</td>
</tr>
</tbody>
</table>

Note 16/ Provisions

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per Last Balance Sheet</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>43,000</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Paid/(Adjustments) during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>- 43,000</td>
<td>- 43,000</td>
<td>- 43,000</td>
</tr>
<tr>
<td>Total</td>
<td>- 43,000</td>
<td>- 43,000</td>
<td>- 43,000</td>
</tr>
</tbody>
</table>

Further Note -
Provision includes Other Professional Charges.

Note 17/ Current Tax Liabilities (Net)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation (Including Interest on Tax)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per Last Balance Sheet</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions During the Year</td>
<td>13,804</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Off with Advance Tax Paid (Note 6)</td>
<td>13,804</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 18/Other Income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from Advances to Contractors</td>
<td>26,785,344</td>
<td>-</td>
</tr>
<tr>
<td>FERV Gain</td>
<td>44,672</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26,830,016</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net)-Note 21</td>
<td>26,785,344</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44,672</td>
</tr>
</tbody>
</table>
### Note 19/Finance Costs

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)</td>
<td>114,159,961</td>
<td>24,198</td>
</tr>
<tr>
<td></td>
<td>114,159,961</td>
<td>24,198</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net) - Note 21</td>
<td>114,159,961</td>
<td>24,198</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 20/Other Expenses

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Charges</td>
<td>21,275</td>
<td>4,600</td>
</tr>
<tr>
<td>Consultancy Expenses</td>
<td>260,800,316</td>
<td>51,696,750</td>
</tr>
<tr>
<td>Tender expenses</td>
<td>803,967</td>
<td>-</td>
</tr>
<tr>
<td>Payments to Statutory Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>34,500</td>
<td>20,000</td>
</tr>
<tr>
<td>Out of Pocket Expenses</td>
<td>1,514</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>36,014</td>
<td>-</td>
</tr>
<tr>
<td>Advertising and publicity</td>
<td>1,498,315</td>
<td>-</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>5,400</td>
<td>2,155</td>
</tr>
<tr>
<td>Books Periodicals and Journals</td>
<td>500,000</td>
<td>363,400</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>119,694</td>
<td>-</td>
</tr>
<tr>
<td>Rates and Taxes</td>
<td>6,530</td>
<td>1,945,675</td>
</tr>
<tr>
<td>Other charges</td>
<td>1,384</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>263,792,895</td>
<td>54,032,580</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net) - Note 21</td>
<td>263,792,895</td>
<td>54,032,580</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Note 21/ Expenditure during Construction (Net)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional charges</td>
<td>21,275</td>
<td>4,600</td>
</tr>
<tr>
<td>Consultancy expenses</td>
<td>260,800,316</td>
<td>51,696,750</td>
</tr>
<tr>
<td>Tender expenses</td>
<td>803,967</td>
<td>-</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td>36,014</td>
<td>20,000</td>
</tr>
<tr>
<td>Advertisement and Publicity</td>
<td>1,498,315</td>
<td>-</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>-</td>
<td>2,155</td>
</tr>
<tr>
<td>Books, Periodicals and Journals</td>
<td>5,400</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>621,078</td>
<td>363,400</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>6,530</td>
<td>1,945,675</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td>263,792,895</td>
<td>54,032,580</td>
</tr>
<tr>
<td><strong>B. Finance Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Term Loans</td>
<td>114,159,961</td>
<td>24,198</td>
</tr>
<tr>
<td><strong>Total (B)</strong></td>
<td>114,159,961</td>
<td>24,198</td>
</tr>
<tr>
<td><strong>C. Less: Other Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest from Advance To Contractors</td>
<td>26,785,344</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total (C)</strong></td>
<td>26,785,344</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total (A+B-C)</strong></td>
<td>351,167,512</td>
<td>54,056,778</td>
</tr>
</tbody>
</table>

### Note 22/ Employee Benefit Obligations

The Company does not have any permanent employees. The personnel working for the company are from holding company and are working on time share basis and deputation. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges.

Since there are no employees in the company, the obligation as per IND AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.
### Note 23/ Fair Value Measurements

<table>
<thead>
<tr>
<th>Financial instruments by category</th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
<th>April 01, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised Cost</td>
<td>FVOCI</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>-</td>
<td>7,670,356</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>-</td>
<td>123,616</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>-</td>
<td>7,793,972</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>4,553,798,817</td>
<td>-</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>1,092,683,790</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>-</td>
<td>5,646,482,607</td>
<td>-</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 March 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>4,490,917,776</td>
<td>-</td>
<td>4,490,917,776</td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>1,092,683,790</td>
<td>-</td>
<td>1,092,683,790</td>
<td></td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>-</td>
<td>5,583,601,566</td>
<td>-</td>
<td>5,583,601,566</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>51,761,251</td>
<td>-</td>
<td>51,761,251</td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>188,762,359</td>
<td>188,762,359</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>-</td>
<td>240,523,610</td>
<td>-</td>
<td>240,523,610</td>
<td></td>
</tr>
</tbody>
</table>
### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

<table>
<thead>
<tr>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At 1st April 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>-</td>
<td>171,159,830</td>
<td>-</td>
<td>171,159,830</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>171,159,830</td>
<td>-</td>
<td>171,159,830</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>-</td>
<td>171,159,830</td>
<td>-</td>
<td>171,159,830</td>
</tr>
</tbody>
</table>

**Level 1**: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.

#### (iii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
<th>April 01, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Fair value</td>
<td>Carrying Amount</td>
</tr>
<tr>
<td><strong>At 01 April 2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>4,553,798,817</td>
<td>4,490,917,776</td>
<td>52,750,000</td>
</tr>
<tr>
<td>Borrowings</td>
<td>4,553,798,817</td>
<td>4,490,917,776</td>
<td>52,750,000</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>1,092,683,790</td>
<td>1,092,683,790</td>
<td>188,762,359</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td><strong>5,646,482,607</strong></td>
<td><strong>5,583,601,566</strong></td>
<td><strong>241,512,359</strong></td>
</tr>
</tbody>
</table>

The carrying amounts of Trade Payables, cash and cash equivalents, other current Financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
Note 24/ Earnings Per Share

(Amount in ₹)

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Basic earnings per share attributable to the equity holders of the company</td>
<td>0.34</td>
<td>-</td>
</tr>
<tr>
<td>From Continuing Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Basic and Diluted earnings per share attributable to the equity holders of the company</td>
<td>0.34</td>
<td>-</td>
</tr>
<tr>
<td>(b) Reconciliation of earnings used in calculating earnings per share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances</td>
<td>30,868</td>
<td>-</td>
</tr>
<tr>
<td>Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances</td>
<td>30,868</td>
<td>-</td>
</tr>
<tr>
<td>From Discontinued Operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Earnings attributable to the equity holders of the company</td>
<td>30,868</td>
<td>-</td>
</tr>
<tr>
<td>(c) Weighted average number of shares used as the denominator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>91,507</td>
<td>50,000</td>
</tr>
<tr>
<td>Adjustments for calculation of diluted earnings per share:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>91,507</td>
<td>50,000</td>
</tr>
</tbody>
</table>

Note 25/ Capital Management

(a) Risk Management

The company’s objectives when managing capital are to

- maximize the Shareholder Value
- safeguard its ability to continue as a going concern
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company’s capital management, equity capital includes issued equity capital, securities premium reserve and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

Note 26/Income Tax Expense

This Note provides an analysis of the Company’s Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to The company’s Tax Positions.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Income Tax Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax on Profits for the year</td>
<td>13,804</td>
<td>-</td>
</tr>
<tr>
<td>Total Current Tax Expense</td>
<td>13,804</td>
<td>-</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>13,804</td>
<td>-</td>
</tr>
</tbody>
</table>
(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India’s Tax Rate:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before Income Tax Expense</td>
<td>44,672</td>
<td>-</td>
</tr>
<tr>
<td>Tax at the Indian Tax Rate of 30.90% (2015-2016 @ Nil)</td>
<td>13,804</td>
<td>-</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td></td>
<td>13,804</td>
</tr>
</tbody>
</table>

Note 27/ Financial Risk Management

The Company’s principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Company Identifies, Evaluates and Manages Financial Risks in Close Co-Operation with the Company’s Operating Units.

The Company’s activities expose it to the following financial risks, namely,

a) Credit risk,

b) Liquidity risk,

c) Market risk.

(A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

· Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 76,70,356/- (31 March 2016: ₹ 55,57,775/-, 01.04.2015: ₹ 19,550). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

(ii) Provision for Expected Credit Losses

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required.

(B) Liquidity Risk

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

(ii) Maturities of Financial Liabilities

The tables below analyse the Company’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Contractual Maturities of Financial Liabilities:</th>
<th>Within 1 Year</th>
<th>Between 1 and 2 years</th>
<th>Between 2 and 5 years</th>
<th>Beyond 5 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>March 31, 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>309,675,206</td>
<td>339,170,243</td>
<td>3,098,174,670</td>
<td>4,911,225,928</td>
<td>8,658,246,047</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>921,061,119</td>
<td>171,622,671</td>
<td>-</td>
<td>-</td>
<td>1,092,683,790</td>
</tr>
<tr>
<td>Total Non-Derivative Liabilities</td>
<td>1,230,736,325</td>
<td>510,792,914</td>
<td>3,098,174,670</td>
<td>4,911,225,928</td>
<td>9,750,929,837</td>
</tr>
<tr>
<td><strong>March 31, 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>3,213,873</td>
<td>4,388,800</td>
<td>30,749,733</td>
<td>57,110,667</td>
<td>95,463,073</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>18,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,000</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>188,740,581</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>188,740,581</td>
</tr>
<tr>
<td>Total Non-Derivative Liabilities</td>
<td>191,972,454</td>
<td>4,388,800</td>
<td>30,749,733</td>
<td>57,110,667</td>
<td>284,221,654</td>
</tr>
<tr>
<td><strong>April 01, 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>171,159,830</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>171,159,830</td>
</tr>
<tr>
<td>Total Non-Derivative Liabilities</td>
<td>171,159,830</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>171,159,830</td>
</tr>
</tbody>
</table>

(C) Market risk

(i) Foreign Currency Risk

The Company is exposed to Currency Risk mainly in respect of procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission Tariff are regulated by the Central Electricity Regulatory Commission (CERC). In Respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of Transmission Tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The company’s exposure to foreign currency risk at the end of the reporting period expressed in INR is Provided in Note-31

Note 28.

a) Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-6) & Dues for Capital Expenditure Shown under Other Non-Current Financial Liabilities (Note-12) include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis and Balance Confirmation are carried out on balances as on 31st March 2017.

b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.

Note 29.

a) FERV Gain of ₹ 44,672/- (Previous Year ₹ Nil) has been recognized in the Statement of Profit and Loss.

b) Borrowing Cost of ₹ 11,41,59,961/- (Previous Year ₹ 24,198/-) has been adjusted in the Capital Work in Progress (CWIP) as per Ind AS 23- “Borrowing Costs”.

Subsidiaries’ Accounts
Note 30.

Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>4</td>
<td>The amount of interest accrued and remaining unpaid at the end of each accounting year.</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Note 31. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Foreign Currency (Amount in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03.2017</td>
</tr>
<tr>
<td>Trade Payables/ Deposits and Retention Money</td>
<td>USD</td>
</tr>
<tr>
<td>Unexecuted Amount of contracts remaining to be executed</td>
<td>USD</td>
</tr>
</tbody>
</table>

Note 32: Related Party Transactions

a) List of Holding Co.

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>India</td>
<td>100%</td>
</tr>
<tr>
<td>REC Transmission Projects Co. Ltd.</td>
<td>India</td>
<td>0%</td>
</tr>
</tbody>
</table>
b) List of Fellow Subsidiaries Co. (Subsidiary Co. of Holding Co.)

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited**</td>
<td>India</td>
<td>-</td>
</tr>
</tbody>
</table>

* Ceases to be Subsidiary of Holding Co. w.e.f. 02nd January 2017
** 100% Equity in Medinipur Jeerat Transmission Limited acquired by Holding Co. on 28th March 2017.

c) List of Fellow Joint Ventures (JVs of Holding Co.)

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited **</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India</td>
<td>-</td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal</td>
<td>-</td>
</tr>
</tbody>
</table>

** Ceases to be Joint Venture of Holding Co. w.e.f. 25th April 2016

d) List of Key Management Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R. P. Sasmal</td>
<td>Chairman</td>
</tr>
<tr>
<td>Shri. D. K. Valecha</td>
<td>Director</td>
</tr>
<tr>
<td>Shri. S. Vaithilingam</td>
<td>Director</td>
</tr>
<tr>
<td>Shri S. K. Gupta</td>
<td>Director</td>
</tr>
</tbody>
</table>
(e) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related Parties.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>107620894</td>
<td>188740581</td>
<td></td>
</tr>
<tr>
<td>REC Transmission Projects Co. Ltd.</td>
<td>Nil</td>
<td>Nil</td>
<td>186183074</td>
</tr>
</tbody>
</table>

(f) Investments Received during the year (Equity)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>500000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>REC Transmission Projects Co. Ltd.</td>
<td>Nil</td>
<td>Nil</td>
<td>500000</td>
</tr>
</tbody>
</table>

(g) Loans From Related Parties

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>4453925560</td>
<td>52750000</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(h) Interest Accrued on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>99873257</td>
<td>24198</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(i) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>260800316</td>
<td>51696750</td>
</tr>
</tbody>
</table>

(j) Interest on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>114159961</td>
<td>24198</td>
</tr>
</tbody>
</table>

Note 33. Segment Information

(a) Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

(b) The Operations of the Company are mainly carried out within the country and therefore, there is no reportable geographical segment.
Note 34. Capital and other Commitments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31.03.2017</th>
<th>As at 31.03.2016</th>
<th>As at 01.04.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>capital account and not provided for (Net of Advances)</td>
<td>10507637963</td>
<td>6304978145</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Note 35. Contingent Liabilities and Contingent Assets

Contingent Liabilities

There is No Contingent Liability As On 31st March 2017 (Nil As On 31st March 2016) in respect of Company which is not acknowledged as debt.

Note 36. Recent Accounting Pronouncements

Standard Issued But Not Yet Effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, ‘Statement of cash flows’. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 ‘Statement of Cash Flows’:

The Amendment to Ind AS 7 ‘Statement of Cash Flows’ requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 37. First Time Adoption of Ind AS

Transition to IND AS

These are the company’s first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company’s date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). A Reconciliation from previous GAAP to IND AS is set out below showing how it has affected the Company’s Financial Position, Financial Performance and Cash Flows.

Reconciliation between previous GAAP and IND AS

IND AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The company does not have any impact of Ind AS as on 01st April 2015 and 31st March 2016 on Total Equity and Total Comprehensive Income.

Note 38. The Previous Year’s Figures have been reclassified/re-grouped wherever necessary.

The accompanying Notes (1 to 38) form an Integral Part of Financial Statements

As per our report of even date
For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

CA Abhijit Kelkar
Partner
Mem. No. 110841
Place: Nagpur
Date: 07th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702
Place: Gurgaon
Date: 07th July, 2017

(S. Vaithilingam)
Director
DIN : 07107854

Place: Gurgaon
Date: 07th July, 2017

Subsidiaries’ Accounts
INDEPENDENT AUDITORS’ REPORT

To the Members Of M/s POWERGRID Parli Transmission Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of M/s POWERGRID Parli Transmission Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the state of affairs (Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company’s preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company’s Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles Generally Accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March 2017, and its Profit/Loss (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.

Other Matters

The comparative Financial Information of the company for the year ended 31st March 2016 prepared in accordance with Ind AS included in these Ind AS Financial Statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the Predecessor auditor on the comparative Financial Information and the opening balance sheet dated 19th July 2016 expressed an unmodified opinion.

The Transition Date Opening Balance Sheet as at 1stApril 2015 included in these Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 Dated 07th May 2015 respectively expressed an unmodified opinion on those Financial Statements, as adjusted for the differences in the Accounting Principles adopted by the Company on Transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.
   d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
   f. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
   g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in Annexure "C".
   h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its Financial Position;
      ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. The company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 7 to the financial statements.

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017
As referred to in our Independent Auditors’ Report to the members of the M/s POWERGRID Parli Transmission Limited (‘the Company’), on the Financial Statements for the Year Ended 31st March, 2017, we report that:

<table>
<thead>
<tr>
<th>Clauses</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.</td>
</tr>
<tr>
<td>(b)</td>
<td>Whether these fixed assets have been physically verified by the management at reasonable intervals; Land is the only Fixed Asset. No Physically Verification Conducted during the year.</td>
</tr>
<tr>
<td>(c)</td>
<td>Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof; The Land Purchased from Government on the Basis of Allotment. Conveyance Deed &amp; mutation are not Applicable in the present case since acquired from Government.. Hence, Title Deeds of all immovable properties are held in the Name of the Company.</td>
</tr>
<tr>
<td>(ii)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account; Not Applicable</td>
</tr>
<tr>
<td>(iii)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>(a)</td>
<td>Whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest. Not Applicable</td>
</tr>
<tr>
<td>(b)</td>
<td>Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; Not Applicable</td>
</tr>
<tr>
<td>(c)</td>
<td>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</td>
</tr>
<tr>
<td>(iv)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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</td>
</tr>
<tr>
<td>(v)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not? The Company has not accepted any deposits from Public and hence the directives issued by the Reserve bank of India and the provisions of the Sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits ) Rules,2015 with regard to the deposits accepted from the public are not applicable.</td>
</tr>
<tr>
<td>(vi)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained There is no such Cost Records specified by Central Government u/s 148 of the Companies Act, 2013.</td>
</tr>
<tr>
<td>Clauses</td>
<td>Auditor’s Comment</td>
</tr>
<tr>
<td>---------</td>
<td>------------------</td>
</tr>
<tr>
<td>(vii) (a) Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</td>
<td>The company has been regular during the year in depositing undisputed dues with Provident Fund, Employees State Insurance, Income Tax, Sales tax, Custom Duty &amp; Excise and other Statutory dues with the appropriate authorities. According to the information given to us, there were no undisputed unpaid statutory dues outstanding as at 31st March 2017 for a period of more than six months from date they became payable.</td>
</tr>
<tr>
<td>i) Provident fund;</td>
<td></td>
</tr>
<tr>
<td>ii) Employees’ state insurance;</td>
<td></td>
</tr>
<tr>
<td>iii) Income-tax;</td>
<td></td>
</tr>
<tr>
<td>iv) Sales-tax;</td>
<td></td>
</tr>
<tr>
<td>v) Service tax;</td>
<td></td>
</tr>
<tr>
<td>vi) Duty of customs;</td>
<td></td>
</tr>
<tr>
<td>vii) Duty of excise;</td>
<td></td>
</tr>
<tr>
<td>viii) Value Added Tax (VAT);</td>
<td></td>
</tr>
<tr>
<td>ix) Cess; and</td>
<td></td>
</tr>
<tr>
<td>x) Any other statutory dues.</td>
<td></td>
</tr>
<tr>
<td>If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.</td>
<td></td>
</tr>
<tr>
<td>(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).</td>
<td>Based on our audit and information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise or Sales Tax which have not been deposited.</td>
</tr>
<tr>
<td>(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.</td>
<td>No Default</td>
</tr>
<tr>
<td>(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.</td>
<td></td>
</tr>
<tr>
<td>(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;</td>
<td>The company has not raised Moneys by way of IPO &amp; FPO including Debt Instruments. However, Loan from holding Company are applied for the purposes for which they are raised.</td>
</tr>
<tr>
<td>(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;</td>
<td>Based upon audit Procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.</td>
</tr>
<tr>
<td>(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;</td>
<td>Based upon audit Procedures performed and the information and explanations given by the management, Managerial Remuneration &amp; Other Payments relating to Staff are made from Holding Co. Hence, the clause is not applicable.</td>
</tr>
<tr>
<td>(xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Clauses</td>
<td>Auditor's Comment</td>
</tr>
<tr>
<td>---------</td>
<td>------------------</td>
</tr>
</tbody>
</table>
| (xiii)  | Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;  
In our opinion, all the transactions with the “Related Parties” are in accordance with sections 177 and 188 of the Companies Act, 2013 are disclosed. |
| (xiv)   | Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;  
The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. |
| (xv)    | Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;  
Based upon the audit procedures performed and the information and explanation given by the management, the Company has not entered into any cash transaction with directors or persons concerned with him. |
| (xvi)   | Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.  
The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC. |

For Abhijit Kelkar & Co.,  
Chartered Accountants  
Firm Registration No. 121920W

CA Abhijit Kelkar  
Partner  
Membership No. 110841  
Place : Nagpur  
Date : 07th July, 2017
As referred to in our Independent Auditors’ Report to the Members of the M/s POWERGRID Parli Transmission Limited (“The Company”), on the Financial Statements for the Year Ended 31st March 2017, We Report that:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Directions</th>
<th>Auditors’ Comments</th>
<th>Action taken by management</th>
<th>Impact on financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings/ flats for which title / lease deeds are not available.</td>
<td>The Company is having clear title/deeds for Freehold Land, Leasehold Land, Buildings and Flats except as provided in Annexure I.</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.</td>
<td>There are no cases of waiver / write off of debts / loans / interest etc. except as provided in Annexure II.</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties &amp; assets received as gift, grant(s) from the Govt. or other authorities.</td>
<td>The company has maintained adequate records in respect of inventories lying with third parties and grant(s) received from the Govt. or other authorities.</td>
<td>Proper Records are maintained</td>
<td>Nil</td>
</tr>
<tr>
<td>4.</td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 (Annexure III).</td>
<td>The company has provided requisite disclosure in the Financial Statement</td>
<td>Nil</td>
</tr>
</tbody>
</table>

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017
Details of Freehold Land, Leasehold Land, Buildings and Flats for which Title/Lease Deeds are not available

(A) Freehold Land

<table>
<thead>
<tr>
<th>Profit Centre</th>
<th>No. of Cases</th>
<th>Area of Land (in hectares)</th>
<th>Gross Block as on 31.03.17 (in ₹ crores)</th>
<th>Net Block as on 31.03.2017 (in ₹ crores)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
</tbody>
</table>

(B) Leasehold Land

<table>
<thead>
<tr>
<th>Profit Centre</th>
<th>No. of Cases</th>
<th>Area of Land (in hectares)</th>
<th>Gross Block as on 31.03.17 (in ₹ crores)</th>
<th>Net Block as on 31.03.2017 (in ₹ crores)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
</tbody>
</table>

(C) Buildings & Flats

<table>
<thead>
<tr>
<th>Profit Centre</th>
<th>No. of Cases</th>
<th>Area of Land</th>
<th>Gross Block as on 31.03.17 (in ₹ crores)</th>
<th>Net Block as on 31.03.2017 (in ₹ crores)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
</tbody>
</table>

Annexure II

Details of Waiver / Write off of Debts / Loans / Interest etc.

<table>
<thead>
<tr>
<th>Nature of Amount Recoverable (Debt/Loan/Interest etc.)</th>
<th>Customer/Vendor Name</th>
<th>Customer/Vendor Code</th>
<th>Profit Centre</th>
<th>Amount (in ₹ crores)</th>
<th>Reason for Waiver/Write Off</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Annexure III

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

<table>
<thead>
<tr>
<th>Particulars</th>
<th>SBNs</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted Receipts</td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Permitted Payments</td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited in banks</td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash in hand as on 30.12.2016</td>
<td></td>
<td></td>
<td>NIL</td>
</tr>
</tbody>
</table>
As referred to in our Independent Auditors’ Report to the members of the M/s POWERGRID Parli Transmission Limited (“the Company”), on the Financial Statements for the year ended 31st March 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the act”)

We have audited the Internal Financial Controls over Financial Reporting of the company as at 31st March 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining Internal Financial Control based on “the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of its assets, the Prevention and Detection of Frauds and Errors, the accuracy and completeness of the Accounting Records, and the Timely Preparation of Reliable Financial Information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls over Financial Reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor’s Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company’s Internal Financial Control over Financial Reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2017, based on “the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841

Place : Nagpur
Date : 07th July, 2017
COMPLIANCE CERTIFICATE

We have conducted the audit of annual stand-alone accounts of M/s Powergrid Parali Transmission Limited for the year ended 31st March, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For M/s Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 020917N

CA Abhijit Kelkar
(Partner)
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017
NOTICE

Notice is hereby given that the Third Annual General Meeting of POWERGRID Warora Transmission Limited [formerly Gadarwara (A) Transco Limited] will be held on Friday, 29th September, 2017 at 12:30 p.m at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi–110016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the reports of Board of Directors and Auditors thereon;

2. To appoint a Director in place of Shri R.P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.

3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“Resolved that pursuant to provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri V.K. Khare (DIN: 07932173) who was appointed as an Additional Director of the Company as per the provisions of Section 161(1) of the Companies Act, 2013 read with clause 75 of Articles of Association and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

By order of the Board
For POWERGRID Warora Transmission Limited

Sd-
S. Vaithilingam
Director
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017

NOTES:

1. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. The Meeting is called at a shorter notice, thus the members are requested to give their consent for the same in the attached Form.

4. POWERGRID Warora Transmission Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (“the Act”). Pursuant to the section 139(5) of the Act, the auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 2nd Annual General Meeting held on 30th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the financial year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and local travel expenses and other incidental out of pocket expenses.

5. The members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the financial year 2017-18, after taking into consideration the volume of work and prevailing inflation.
Annexure to Notice

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Shri V.K. Khare (DIN: 0007932173), was appointed as an Additional Director on the Board of POWERGRID Warora Transmission Limited (formerly Gadarwara (A) Transco Limited), w.e.f 07.09.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 & clause 75 of Articles of Association. In terms of the provisions of Companies Act, 2013, Shri V.K. Khare holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri V.K. Khare for the office of Director. Shri V.K. Khare, if appointed, will be liable to retire by rotation.

Shri V.K. Khare, aged nearly 58 years, is Executive Director (WR-I) of Power Grid Corporation of India Limited and nominated as Director in your Company w.e.f. 07.09.2017. He holds a Bachelor Degree in Electrical Engineering.

None of the Directors of the Company or their relatives except Shri V.K. Khare is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri V.K. Khare, it would be in the interest of the Company to appoint him as the Director of the Company. The Board recommends the resolution for your approval.

By order of the Board
For POWERGRID Warora Transmission Limited

Sd-
S. Vaithilingam
(Director)
Place: New Delhi
DIN: 07107854

Place: New Delhi
Date: 18th September, 2017
Directors’ Report

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the Third Annual Report of POWERGRID WARORA Transmission Limited (formerly Gadarwara (A) Transco Limited) on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2017.

POWERGRID Warora Transmission Limited (formerly Gadarwara (A) Transco Limited) was acquired /taken over by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). Consequent to such acquisition, PWTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the States of Maharashtra and Madhya Pradesh and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Warora. The Company has been granted transmission license by CERC in August, 2015. LILO of existing Seoni-Bina 765 kV S/C at Gadarwara STPP has been completed & declared for commercial operation on 30.11.2016. Eventually, the Gadarwara-Jabalpur Pool 765 kV D/C transmission line has been completed & declared for commercial operation on 31.05.2017.

FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>3.66</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Income</td>
<td>3.66</td>
<td>-</td>
</tr>
<tr>
<td>Expenses</td>
<td>0.61</td>
<td>-</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>3.05</td>
<td>-</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>1.32</td>
<td>-</td>
</tr>
<tr>
<td>Earnings Per Equity Share (₹)</td>
<td>0.63</td>
<td>-</td>
</tr>
</tbody>
</table>

Share Capital

The Authorised Share Capital and Paid up Share Capital as on 31st March, 2017 of the Company were ₹ 35 crore and ₹ 25.10 crore, respectively.

Dividend and Transfer to Reserves

Your Company’s Project is under implementation.

Particulars of Loans, Guarantees or Investments

Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

Fixed Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

Your Company do not have any subsidiaries, joint ventures and associate companies.

Director’s Responsibility Statement

As required under section 134 (3) (c) & 134(5) of the Companies Act, your Directors confirm that:

a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

Subsidiaries’ Accounts
c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the Directors had prepared the Annual Accounts on a going concern basis; and
e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT– 9 is enclosed at Annexure –II to this Report.

Board of Directors

As on 31st March, 2017, the Board comprised five Directors viz. Shri. R. P. Sasmal, Shri D.K. Valecha, Shri S. Vaithilingam, Shri D.K. Singh and Shri. S. K. Gupta. There is no change in the composition of Board of Directors during the year.

Subsequently, Shri. V.K. Khare has been appointed as Additional Director w.e.f. 07.09.2017 who holds office upto the date of ensuing Annual General Meeting. The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri. V.K. Khare as Director, liable to retire by rotation in the ensuing Annual General Meeting.

Also, Shri S. K. Gupta ceased to be Director of the Company w.e.f. 06.09.2017.

In accordance with the provisions of the Companies Act, 2013, Shri R.P. Sasmal shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Number of Board meetings during the year

During the financial year ended 31st March, 2017, eleven (11) meetings of Board of Directors were held on 01.04.2016, 04.04.2016, 21.04.2016, 06.05.2016, 02.06.2016, 05.08.2016, 24.08.2016, 02.09.2016, 27.12.2016, 16.03.2017 and 23.03.2017. The detail of number of meetings attended by each Director during the financial year 2016-17 are as under:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R.P. Sasmal</td>
<td>Chairman</td>
<td>11</td>
</tr>
<tr>
<td>Shri D.K. Valecha</td>
<td>Director</td>
<td>10</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>11</td>
</tr>
<tr>
<td>Shri D.K. Singh</td>
<td>Director</td>
<td>01</td>
</tr>
<tr>
<td>Shri S.K. Gupta</td>
<td>Director</td>
<td>01</td>
</tr>
</tbody>
</table>

Committees of the Board

Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has constituted Audit Committee of Directors on 23rd March, 2017. The Audit Committee comprises three members viz. Shri S. Vaithilingam, Shri D.K. Valecha and Shri D.K. Singh as its members with Shri S. Vaithilingam as Chairman. During the year, no meeting of Audit committee was held.

Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted Nomination & Remuneration Committee of Directors (the NRC) on 23rd March, 2017. The NRC comprises three members viz. Shri D.K. Valecha, Shri S. Vaithilingam and Shri D.K. Singh as its members with Shri D.K. Valecha as Chairman. During the year, no meeting of NRC was held.

Corporate Social Responsibility (CSR)

Your Company’s Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 &
corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors’ report.

Statutory Auditors

M/s Abhijit Kelkar & Co., Chartered Accounts, Nagpur, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17.

Auditors’ Report

The Statutory Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

Comptroller and Auditor General’s (C&AG) Comments

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2017. C&AG vide letter dated 28th August, 2017 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors’ report. Copy of letter dated 28th August, 2017 of NIL comments received form C&AG is placed at Annexure-III to this report.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

Place: New Delhi
Date: 18th September, 2017

For and on behalf of
POWERGRID WARORA Transmission Limited

Sd-
(R.P. Sasmal)
Chairman
DIN: 02319702
ANNEXURE I

POWERGRID WARORA TRANSMISSION LIMITED
FORM NO. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justification for entering into such contracts or arrangements or transactions’</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 24.04.2015].</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of ₹ 2020 crore from POWERGRID. Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>Part (A) As mutually agreed. Part (B) Commissioning of the project including associated reconciliation activities.</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>Refer (b)</td>
</tr>
<tr>
<td>e</td>
<td>Date of approval by the Board</td>
<td>09.06.2015 &amp; 27.12.2016 [for Part (A)], 29.02.2016 [for Part (B)]</td>
</tr>
<tr>
<td>f</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
</tbody>
</table>

By order of the Board
For POWERGRID Warora Transmission Limited

Sd-
R.P. Sasmal
(Chairman)
DIN: 02319702

Place : New Delhi
Date : 18th September, 2017
POWERGRID WARORA TRANSMISSION LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN U40300DL2014GOI2669918

ii. Registration Date 5th August, 2014

iii. Name of the Company POWERGRID Warora Transmission Limited [formerly Gadarwara (A) Transco Limited]

iv. Category/Sub-Category of the Company Public Limited Company/Indian Government Company

v. Address of the Registered office and contact details B-9 Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081

vi. Whether listed company No

vii. Name, Address and Contact details of Registrar and Transfer Agent, If any Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and Description of main products/services</th>
<th>NIC Code of the Product/service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>NA</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)*</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

* HOLDING COMPANY w.e.f. 24.04.2015

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td></td>
<td></td>
<td>6*</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp</td>
<td>0</td>
<td>49994</td>
<td>49994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>50000$</td>
<td>50000$</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Category of Shareholders</td>
<td>No. of Shares held at the beginning of the year</td>
<td>No. of Shares held at the end of the year</td>
<td>% Change during the year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k) Any Other...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (A)(2):-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Public Shareholding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Central Govt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) State Govt(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Venture Capital Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Insurance Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) FIIs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Foreign Venture Capital Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Others (specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (B)(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Non-Institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Overseas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Others (Specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total (B)(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Public Shareholding (B) = (B)(1) + (B)(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

$ Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of ₹ 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

* 6 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.
**ii. Shareholding of Promoters**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>49994</td>
<td>99.988</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>3.</td>
<td>Shri R.T. Agarwal jointly with POWERGRID*</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Ravi.P. Singh jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R.P. Sasmal jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>6.</td>
<td>Shri D.K. Valecha jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>7.</td>
<td>Shri S. Vaihilingam jointly with POWERGRID</td>
<td>01</td>
<td>0.002</td>
</tr>
<tr>
<td>8.</td>
<td>Shri Ranjan Kumar Shrivastava jointly with POWERGRID*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>50000</td>
<td>100</td>
</tr>
</tbody>
</table>

*01 Equity share held by Shri R.T. Agarwal (jointly with POWERGRID) transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016.

**iii. Change in Promoters’ Shareholding (please specify, if there is no change)**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>50000</td>
<td>100</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>1. 25050000 Equity Shares of ₹ 10/- each were allotted to POWERGRID on 02.06.2016 in terms of Section 62(1) of the Companies Act, 2013.</td>
<td>2. 01 Equity share held by Shri R.T.Agarwal (jointly with POWERGRID) transferred to Shri Ranjan Kumar Shrivastava (jointly with POWERGRID) on 23.05.2016. (May please also refer information provided under Sr. No. IV (ii) above.)</td>
</tr>
<tr>
<td>At the End of the year</td>
<td>25100000</td>
<td>100</td>
</tr>
</tbody>
</table>

$ 25100000 shares w.e.f. 02.06.2016 upon allotment of 25050000 Equity shares to POWERGRID

**Note**:

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 24.04.2015 executed amongst REC Transmission Projects Company Limited (RECTPCL), the Company and POWERGRID, 50,000 equity shares of ₹ 10/- each held in the Company by RECTPCL & its nominees were transferred to POWERGRID & POWERGRID’s nominees jointly with POWERGRID.
iv. Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

v. Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>For each of Directors and KMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For each of Directors</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1 Shri R.P. Sasmal, Chairman
   - At the beginning of the year 01** 0.002
   - Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
   - At the End of the year 01** 0

2 Shri D.K. Valecha, Director
   - At the beginning of the year 01** 0.002
   - Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
   - At the End of the year 01** 0

3 Shri S. Vaithilingam, Director
   - At the beginning of the year 01** 0.002
   - Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
   - At the End of the year 01** 0

4 Shri S. K. Gupta, Director*
   - At the beginning of the year -
   - Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
   - At the End of the year -
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For each of Directors and KMP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>5</td>
<td>Shri D.K. Singh, Director</td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At the End of the year</td>
<td>-</td>
</tr>
</tbody>
</table>

*Ceased to be Director w.e.f. 06.09.2017.
**Jointly with POWERGRID
$ 0.001% w.e.f. 02.06.2016 upon allotment of 25050000 Equity Shares to POWERGRID.

### V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

<table>
<thead>
<tr>
<th></th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>-</td>
<td>12,17,12,000</td>
<td>-</td>
<td>121712000</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>12,17,12,000</td>
<td>-</td>
<td>121712000</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td></td>
<td>663,25,43,009</td>
<td>663,25,43,009</td>
<td></td>
</tr>
<tr>
<td>- Addition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change</td>
<td>-</td>
<td>663,25,43,009</td>
<td>-</td>
<td>663,25,43,009</td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>675,42,55,009</td>
<td></td>
<td>675,42,55,009</td>
<td></td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>16,14,22,672</td>
<td></td>
<td>16,14,22,672</td>
<td></td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>691,56,77,681</td>
<td></td>
<td>691,56,77,681</td>
</tr>
</tbody>
</table>
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Remuneration to other directors (Not Applicable):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Managerial Remuneration

Over all Ceiling as per the Act
C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CEO</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/ Punishment/ Compounding fees imposed</th>
<th>Authority [RD/ NCLT/Court]</th>
<th>Appeal made, If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Company</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>B. Directors</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>C. Other Officers In Default</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

For and on behalf of

POWERGRID Warora Transmission Limited

Sd-
(R.P. Sasmal)
Chairman
DIN: 02319702

Place : New Delhi
Date : 18th September, 2017
ANNEXURE - III THE DIRECTORS’ REPORT

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INID UNDER SECTION 143(6)(b) of the COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID Warora Transmission Limited FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Warora Transmission Limited, for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 July 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Warora Transmission Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors’ report.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi
Date : 28 July, 2017
### Balance Sheet as on 31<sup>st</sup> March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant and Equipment</td>
<td>4</td>
<td>333,540,738</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Capital Work-in-Progress</td>
<td>5</td>
<td>7,457,785,662</td>
<td>295,614,902</td>
<td>182,195,184</td>
</tr>
<tr>
<td>(c) Intangible Assets under Development</td>
<td>6</td>
<td>62,000</td>
<td>62,000</td>
<td>-</td>
</tr>
<tr>
<td>(d) Other Non-Current Assets</td>
<td>7</td>
<td>684,350,431</td>
<td>35,030,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Cash and Cash Equivalents</td>
<td>8</td>
<td>16,612,509</td>
<td>8,494,667</td>
<td>19,550</td>
</tr>
<tr>
<td>(ii) Other Current Financial Assets</td>
<td>9</td>
<td>36,729,417</td>
<td>8,893</td>
<td>-</td>
</tr>
<tr>
<td>(b) Other Current Assets</td>
<td>10</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>53,351,926</td>
<td>8,503,560</td>
<td>19,550</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share capital</td>
<td>11</td>
<td>251,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>12</td>
<td>13,138,978</td>
<td>(32,969)</td>
<td>(32,969)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>264,138,978</td>
<td>467,031</td>
<td>467,031</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Borrowings</td>
<td>13</td>
<td>6,754,255,009</td>
<td>121,712,000</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Other Non-Current Financial Liability</td>
<td>14</td>
<td>105,311,093</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Deferred Tax Liabilities (Net)</td>
<td>15</td>
<td>11,117,117</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td>6,870,683,219</td>
<td>121,712,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The accompanying Notes (1 to 42) form an Integral Part of Financial Statements

As per our report of even date                                    For and on behalf of the Board of Directors

**For Abhijit Kelkar & Co.,**                                      **(R. P. Sasmal)**
Chartered Accountants                                            **(S. Vaithilingam)**
Firm Regn. No. 121920W                                             Chairman                          Director
DIN : 0002319702                                                   DIN : 0007107854

**CA Abhijit Kelkar**                                               **(I. Martin Jerome)**
Partner                                                             **(Anjana Luthra)**
Mem. No. 110841                                                    (Company Secretary)

Place: Nagpur                                                     Place: Gurgaon
Date: 07<sup>th</sup> July, 2017                                  Date: 07<sup>th</sup> July, 2017
**Statement of Profit and Loss** for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Revenue From Operations</td>
<td></td>
<td>36,621,892</td>
<td>-</td>
</tr>
<tr>
<td>II Other Income</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>III Total Income (I+II)</td>
<td></td>
<td>36,621,892</td>
<td>-</td>
</tr>
<tr>
<td>IV EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>22</td>
<td>2,325,691</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>23</td>
<td>3,785,465</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>24</td>
<td>1,111</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses (IV)</strong></td>
<td></td>
<td>6,112,267</td>
<td>-</td>
</tr>
<tr>
<td>V Profit/(Loss) Before Tax (III- IV)</td>
<td></td>
<td>30,509,625</td>
<td>-</td>
</tr>
<tr>
<td>VI Tax Expense:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Current Tax</td>
<td></td>
<td>6,220,561</td>
<td>-</td>
</tr>
<tr>
<td>(2) Deferred Tax</td>
<td></td>
<td>11,117,117</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>17,337,678</td>
<td>-</td>
</tr>
<tr>
<td>VII Profit (Loss) for the Period (V-VI)</td>
<td></td>
<td>13,171,947</td>
<td>-</td>
</tr>
<tr>
<td>VIII Other Comprehensive Income</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IX Total Comprehensive Income for the period (VII+VIII)</td>
<td></td>
<td>13,171,947</td>
<td>-</td>
</tr>
<tr>
<td>X Earnings per Equity Share (Par Value ₹ 10 each)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Basic (₹)</td>
<td></td>
<td>0.63</td>
<td>-</td>
</tr>
<tr>
<td>(2) Diluted (₹)</td>
<td></td>
<td>0.63</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying Notes (1 to 42) form an Integral Part of Financial Statements

As per our report of even date

**For Abhijit Kelkar & Co.,**
Chartered Accountants
Firm Regn. No. 121920W

**CA Abhijit Kelkar**
Partner
Mem. No. 110841

Place: Nagpur
Date: 07th July, 2017

For and on behalf of the Board of Directors

**For R. P. Sasmal**
Chairman
DIN : 0002319702

**S. Vaithilingam**
Director
DIN : 0007107854

**For I. Martin Jerome**
CFO

**For Anjana Luthra**
Company Secretary

Place: Gurgaon
Date: 07th July, 2017
### Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the Year Ended 31st March 2017</th>
<th>For the Year Ended 31st March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit /(Loss) Before Tax</td>
<td>30,509,625</td>
<td>-</td>
</tr>
<tr>
<td>Operating Profit /(Loss) before Working Capital Changes</td>
<td>30,509,625</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments For :-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Non Current Assets</td>
<td>(649,320,431)</td>
<td>(35,030,000)</td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Current Financial Assets</td>
<td>(36,720,524)</td>
<td>(8,893)</td>
</tr>
<tr>
<td>(Increase)/Decrease in Other Current Assets</td>
<td>(10,000)</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Non Current Liabilities</td>
<td>105,311,936</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Current Financial Liability</td>
<td>1,152,866,301</td>
<td>42,330,015</td>
</tr>
<tr>
<td>Increase/(Decrease) in Other Current Liability</td>
<td>24,340,728</td>
<td>(7,069,687)</td>
</tr>
<tr>
<td>Increase/(Decrease) in Provisions</td>
<td>30,100</td>
<td>23,400</td>
</tr>
<tr>
<td>Cash Generated From Operations</td>
<td>627,006,892</td>
<td>244,835</td>
</tr>
<tr>
<td>Income Tax Paid</td>
<td>(6,220,561)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash from Operating Activities</strong></td>
<td>620,786,331</td>
<td>244,835</td>
</tr>
<tr>
<td><strong>B CASH FLOW FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Work in Progress and Property Plant &amp; Equipments</td>
<td>(7,495,711,498)</td>
<td>(113,419,718)</td>
</tr>
<tr>
<td>Intangible Assets under Developments</td>
<td>-</td>
<td>(62,000)</td>
</tr>
<tr>
<td><strong>Net Cash used in Investing Activities</strong></td>
<td>(7,495,711,498)</td>
<td>(113,481,718)</td>
</tr>
<tr>
<td><strong>C CASH FLOW FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue of Share capital</td>
<td>250,500,000</td>
<td>-</td>
</tr>
<tr>
<td>Inter Corporate Loan from Power Grid Corp. of India Ltd.</td>
<td>6,632,543,009</td>
<td>121,712,000</td>
</tr>
<tr>
<td><strong>Net Cash from Financing Activities</strong></td>
<td>6,883,043,009</td>
<td>121,712,000</td>
</tr>
<tr>
<td><strong>D Net Change in Cash and Cash Equivalents (A+B+C)</strong></td>
<td>8,117,842</td>
<td>8,475,117</td>
</tr>
<tr>
<td><strong>E Cash and Cash Equivalents (Opening Balance)</strong></td>
<td>8,494,667</td>
<td>19,550</td>
</tr>
<tr>
<td><strong>F Cash and Cash Equivalents (Closing Balance) (D+E)</strong></td>
<td>16,612,509</td>
<td>8,494,667</td>
</tr>
</tbody>
</table>

As per our report of even date

For and on behalf of the Board of Directors

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Regn. No. 121920W

(R. P. Sasmal)
Chairman
DIN : 0002319702

(S. Vaithilingam)
Director
DIN : 0007107854

CA Abhijit Kelkar
Partner
Mem. No. 110841

(I. Martin Jerome)
CFO

(Anjana Luthra)
Company Secretary

Place: Nagpur
Date: 07th July, 2017

Subsidiaries’ Accounts

Place: Gurgaon
Date: 07th July, 2017

Annual Report 2016-17 355
Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

<table>
<thead>
<tr>
<th></th>
<th>(Amount in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>500,000.00</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>250,500,000.00</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>251,000,000.00</td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th></th>
<th>Reserves and Surplus</th>
<th>Other Comprehensive Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital Reserve</td>
<td>Securities Premium Reserve</td>
<td>Self Insurance Reserve</td>
</tr>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 1st April, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Self Insurance Reserve</td>
<td>-</td>
<td>404,791</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>-</td>
<td>404,791</td>
<td>-</td>
</tr>
</tbody>
</table>

Refer to Note 12 for Nature & Movement of Other Equity
Notes to Financial Statements

1. Corporate and General Information

M/s POWERGRID Warora Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India. It is principally engaged in implementation, operation and maintenance of Transmission Lines & Sub-Stations.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 07th July, 2017.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013(the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereof.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note No. 2.11 for accounting policy regarding financial instruments).

iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupee, except as stated otherwise.

iv) Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Measurement on Transition to Ind AS

On the date of transition to Ind AS, the company has considered the carrying value of Property, Plant and Equipment as per Previous GAAP to be the deemed cost as per Ind AS 101 'First Time Adoption of Indian Accounting Standard'.

Initial Recognition on Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.
In the case of commissioned assets, deposit works/cost-plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the Date of Commercial Operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.4 Intangible Assets and Intangible Assets under development

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

2.5 Depreciation / Amortization

Depreciation/amortisation on the assets is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff, except for assets specified in following paragraphs.

Depreciation on following assets is provided based on estimated useful life as per technical assessment.
Residual value of above assets is considered as Nil.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with nil residual value.

Mobile phones are charged off in the year of purchase.

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets following the rates and methodology notified by CERC.

The residual values, useful lives and methods of depreciation for are reviewed at each financial year end and adjusted prospectively, wherever required.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with rates and methodology notified by CERC Tariff Regulations. Leasehold land acquired on perpetual lease is not amortized.

### 2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets till the assets are ready for the intended use.

Other borrowing costs are charged to revenue

### 2.7 Impairment of Non-Financial Assets, other than Inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### 2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.
2.10 Leases

i) As a Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) **Finance lease**

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

b) **Operating lease**

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

**Financial Assets**

Financial assets of the Company comprise cash and cash equivalents, bank balances and other Financial Assets.

**Classification**

The Company classifies its financial assets at amortised cost.

The classification depends on the following:

- The entity’s business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset

**Initial recognition and measurement**

All financial assets except trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognizes the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

**Subsequent measurement**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.
De-recognition of financial assets

A Financial Asset is derecognized only when

- The group has transferred the rights to receive cash flows from the financial asset OR
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company’s financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognized initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the Currency of the Primary Economic Environment in which the company operates (‘the Functional Currency’). The Financial Statements are presented in Indian Rupees (Rupees or ₹), which is the Company’s Functional and Presentation Currency.

(b) Transactions and Balances

Transactions in Foreign Currencies are initially recorded at the Exchange Rates prevailing on the Date of Transaction. Foreign Currency Monetary Items are translated with reference to the rates of exchange ruling on the date of Balance Sheet. Non-Monetary Items denominated in Foreign Currency are reported at the exchange rate ruling on the date of transaction.

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for Accounting for Exchange Differences arising from Translation of Long Term Foreign Currency Monetary Liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Other exchange differences are recognized in the statement of profit and loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.
Current Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company’s financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement entered between the Transmission Service Provider and the Long Term Transmission Customers.

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

2.15 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized.

2.17 Share Capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year by appropriation of Current Year Profit to mitigate future losses from un-insured risk. The same is shown as “Self – Insurance reserve” under “Other Equity”.

Subsidiaries’ Accounts
2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per Indirect Method prescribed in the Ind AS 7 “Statement of Cash Flows”.

3. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment of applying the company's accounting policies.

Estimates and judgements are continually evaluated in line with progress of the project and they are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.
### Note 4/Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cost</th>
<th>Accumulated depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2016</td>
<td>As at 1st April, 2016</td>
<td>As at 31st March, 2017</td>
</tr>
<tr>
<td></td>
<td>Additions during the year</td>
<td>Additions during the year</td>
<td>Disposal</td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office equipment</td>
<td>- 69,300</td>
<td>69,300</td>
<td>- 69,300</td>
</tr>
</tbody>
</table>

Further Note - The Company acquired 41.45 Hectare (Nil Hectare as on 31.03.2016) (Nil Hectare as on 01.04.2015) of Freehold Land amounting to ₹ 12,31,83,768/- (₹ Nil as on 31.03.2016) (₹ Nil as on 01.04.2015) for which mutation in revenue records is pending.
### Note 5/Capital Work in Progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>176,424</td>
<td>123,183,768</td>
<td>-</td>
<td>123,183,768</td>
<td>176,424</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Stations &amp; Office</td>
<td>-</td>
<td>58,542,911</td>
<td>-</td>
<td>-</td>
<td>58,542,911</td>
</tr>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Sub-Station</td>
<td>-</td>
<td>53,411,899</td>
<td>-</td>
<td>-</td>
<td>53,411,899</td>
</tr>
<tr>
<td>Construction Stores</td>
<td>23,810,429</td>
<td>3,021,683,514</td>
<td>-</td>
<td>-</td>
<td>3,045,493,943</td>
</tr>
<tr>
<td><strong>Expenditure pending allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure During Construction Period (Net)</td>
<td>89,432,865</td>
<td>524,339,846</td>
<td>-</td>
<td>14,185,702</td>
<td>599,587,009</td>
</tr>
<tr>
<td>Total</td>
<td>295,614,902</td>
<td>7,498,810,761</td>
<td>-</td>
<td>336,640,001</td>
<td>7,457,785,662</td>
</tr>
</tbody>
</table>

### Note 5/Capital Work in Progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>-</td>
<td>176,424</td>
<td>-</td>
<td>-</td>
<td>176,424</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Plant &amp; Equipments (including associated civil works)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Transmission</td>
<td>182,195,184</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>182,195,184</td>
</tr>
<tr>
<td>Construction Stores</td>
<td>-</td>
<td>23,810,429</td>
<td>-</td>
<td>-</td>
<td>23,810,429</td>
</tr>
<tr>
<td>Expenditure pending allocation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure During Construction Period (Net)</td>
<td>89,432,865</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89,432,865</td>
</tr>
<tr>
<td>Total</td>
<td>182,195,184</td>
<td>113,419,718</td>
<td>-</td>
<td>-</td>
<td>295,614,902</td>
</tr>
</tbody>
</table>

**Further Note** - The Company has opted for Deemed Cost Exemption as per Para D7AA of Ind AS 101 "First Time Adoption of Indian Accounting Standards". Accordingly Carrying Value is considered as Deemed Cost as on the Date of Transition i.e. 1st April 2015.

### Note 5/Capital Work in Progress (Details of Construction stores)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Stores</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>1,287,386,225</td>
<td>23,810,429</td>
<td>-</td>
</tr>
<tr>
<td>Conductors</td>
<td>1,483,926,150</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>126,816,755</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-Station Equipments</td>
<td>107,904,669</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unified Load Despatch &amp; Communication(ULDC) Materials</td>
<td>10,245,371</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>29,214,773</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3,045,493,943</td>
<td>23,810,429</td>
<td>-</td>
</tr>
</tbody>
</table>
### Particulars

<table>
<thead>
<tr>
<th>Material in transit</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towers</td>
<td>-</td>
<td>23,810,429</td>
<td>-</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>19,391,014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>29,214,773</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48,605,787</strong></td>
<td><strong>23,810,429</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**ii) Material with Contractors**

| Towers                                   | 1,287,386,225          | -                      | -                     |
| Conductors                               | 1,483,926,150          | -                      | -                     |
| Other Line Materials                      | 107,425,741            | -                      | -                     |
| Sub-Station Equipments                    | 107,904,669            | -                      | -                     |
| Unified Load Despatch & Communication(ULDC) Materials | 10,245,371             | -                      | -                     |
| **Total**                                | **2,996,888,156**      | -                      | -                     |
| **Grand Total**                          | **3,045,493,943**      | **23,810,429**         | -                     |

### Note 6/Intangible Assets under Development

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right of Way-Afforestation expenses</td>
<td>-</td>
<td>62,000</td>
<td>-</td>
<td>-</td>
<td>62,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td><strong>62,000</strong></td>
<td>-</td>
<td>-</td>
<td><strong>62,000</strong></td>
</tr>
</tbody>
</table>

### Note 7/Other Non-Current Assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Advances for Capital Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Against Bank Guarantees</td>
<td>683,639,968</td>
<td>35,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>B) Security Deposits</strong></td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>C) Advances recoverable in cash or in kind or for value to be received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Tax and Tax deducted at source</td>
<td>6,901,024</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Current Tax</td>
<td>6,220,561</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>680,463</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>684,350,431</strong></td>
<td><strong>35,030,000</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
Note 8/Cash and Cash Equivalents

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with Banks-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In Current Accounts</td>
<td><strong>16,612,509</strong></td>
<td><strong>8,494,667</strong></td>
<td><strong>19,550</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,612,509</strong></td>
<td><strong>8,494,667</strong></td>
<td><strong>19,550</strong></td>
</tr>
</tbody>
</table>

Further Note -
Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>SBNs</th>
<th>Other Denomination notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(+) Permitted Receipts</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Permitted Payments</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Amount deposited in banks</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Closing Cash in hand as on 30.12.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Note 9/Other Current Financial Assets
(Unsecured considered Good unless otherwise stated)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Unbilled Revenue*</td>
<td></td>
<td><strong>36,621,892</strong></td>
<td></td>
</tr>
<tr>
<td>2) Interest accrued but not due</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest accrued on Others</td>
<td></td>
<td>-</td>
<td><strong>8,893</strong></td>
</tr>
<tr>
<td>2) Others **</td>
<td><strong>107,525</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,729,417</strong></td>
<td><strong>8,893</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

Further Note -
* Unbilled Revenue ₹ **36621892** (Previous Year Nil) represent amount for which the company is yet to raise bills in view of recognition of revenue as per CERC Tariff norms and also includes transmission charges for the month of March 2017 in the Financial year amounting to ₹ **9382468** (Previous Year Nil ) billed to beneficiaries in the month of April 2017 of Subsequent Year (Previous Year N/A).

** Others include Advance to Vendor

Note 10/Other Current Assets
(Unsecured considered Good unless otherwise stated)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances recoverable in kind or for value to be received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td><strong>10,000</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,000</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Note 11/Equity Share Capital

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Share Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Authorised</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,50,00,000 (31.03.2016 - 2,00,00,000) (01.04.2015 - 50,000) Equity Shares of ₹ 10/- each at par</td>
<td>350,000,000</td>
<td>200,000,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Issued, subscribed and paid up</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,51,00,000 (31.03.2016 - 50,000) (01.04.2015 - 50,000) Equity Shares of ₹ 10/- each at par fully paid up</td>
<td>251,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>251,000,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

**Further Notes:**

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>Amount in Rupees</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>50,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>25,050,000</td>
<td>250,500,000</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>25,100,000</td>
<td>251,000,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Shares</td>
<td>% of holding</td>
<td>No. of Shares</td>
<td>% of holding</td>
</tr>
<tr>
<td>i) Power Grid Corporation of India Limited</td>
<td>25100000 100%</td>
<td>50000 100%</td>
<td></td>
</tr>
<tr>
<td>ii) REC Transmission Projects Co. Limited</td>
<td></td>
<td>50000 100%</td>
<td></td>
</tr>
</tbody>
</table>

# Out of 2,51,00,000 (50,000 in 31.03.2016) Equity Shares, 6 Equity Shares are Held by Nominees of M/s Power Grid Corporation of India Ltd on its behalf. Out of 50,000 Equity Shares in 01.04.2015, 6 Equity Shares are Held by Nominees of M/s REC Transmission Projects Co. Ltd. on its behalf.

Note 12/Other Equity

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserve &amp; Surplus</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Self Insurance Reserve</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the Beginning of the Year</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Additions During The Year</td>
<td>404,791</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the End of the Year</td>
<td>404,791</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
## Retained Earnings

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the Beginning of the Year</td>
<td>(32,969)</td>
<td>(32,969)</td>
<td></td>
</tr>
<tr>
<td>Net Profit for the Period</td>
<td>13,171,947</td>
<td>(32,969)</td>
<td></td>
</tr>
<tr>
<td>Transfer To Self Insurance Reserve</td>
<td>(404,791)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the End of the Year</td>
<td>12,734,187</td>
<td>(32,969)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,138,978</strong></td>
<td><strong>(32,969)</strong></td>
<td><strong>(32,969)</strong></td>
</tr>
</tbody>
</table>

### Further Note -

#### Nature and Purpose of Reserves

**Self Insurance Reserve**

Self-Insurance Reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipments except assets covered under insurance as at the end of the year to mitigate future losses from un-insured risk.

#### Note 13/ Borrowings

(Amount in ₹)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term Loan From Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rupee Loans (Unsecured)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan From M/s Power Grid Corporation of India Ltd. (Holding Co.)</td>
<td>6,754,255,009</td>
<td>121,712,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,754,255,009</strong></td>
<td><strong>121,712,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Further Note - Inter Corporate Loan is provided by Holding Company on Cost to Cost Basis at the Rate of Interest which varies from 7.20% To 8.32% repayable over a Period of 4 to 20 Years

#### Note 14/Other Non-Current Financial Liabilities

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues for Capital Expenditure</td>
<td>105,311,093</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105,311,093</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Further Note - 

Disclosure with regard to Micro and Small Enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note 34

#### Note 15/ Deferred Tax Liabilities (Net)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Liability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation Difference on Property, Plant &amp; Equipments</td>
<td>11,117,117</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,117,117</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Movements in Deferred Tax Liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Interest accrued but not due on borrowings from</strong> Related Parties <strong>- M/s Power Grid Corp. of India Ltd.</strong></td>
<td>161,422,672</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>B) Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Dues for capital expenditure</td>
<td>869,791,516</td>
<td>209,056,880</td>
<td>166,726,865</td>
</tr>
<tr>
<td>ii) Deposits/Retention money from contractors and others.</td>
<td>330,030,724</td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii) Others</td>
<td>678,269</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,361,923,181</td>
<td>209,056,880</td>
<td>166,726,865</td>
</tr>
</tbody>
</table>

*Further Note -*

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 34

**Breakup of Related Parties is provided in Note - 36**

### Note 16/Other Current Financial Liability

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory Dues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7,951,151</td>
<td>15,020,838</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,951,151</td>
<td>15,020,838</td>
<td></td>
</tr>
</tbody>
</table>

*Further Note -*

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 34

**Breakup of Related Parties is provided in Note - 36**

### Note 17/Other Current Liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory Dues</strong></td>
<td>32,291,879</td>
<td>7,951,151</td>
<td>15,020,838</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>32,291,879</td>
<td>7,951,151</td>
<td>15,020,838</td>
</tr>
</tbody>
</table>

### Note 18/ Provisions

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>23,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions during the year</td>
<td>53,500</td>
<td>23,400</td>
<td></td>
</tr>
<tr>
<td>Paid/Adjusted during the year</td>
<td>23,400</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>-</td>
<td>53,500</td>
<td>23,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>53,500</td>
<td>23,400</td>
<td>-</td>
</tr>
</tbody>
</table>

*Further Note -*

Provision includes Other Professional Charges
### Note 19/ Current Tax Liabilities (Net)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation (Including interest on tax)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>6,220,561</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net off with Advance Tax Paid (Note 7)</td>
<td>6,220,561</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 20/Revenue From Operations

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Charges</td>
<td>36,621,892</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>36,621,892</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 21/Other Income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from advances to contractors</td>
<td>8,261,458</td>
<td>8,893</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction (Net) - Note 25</td>
<td>8,261,458</td>
<td>8,893</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Note 22/Finance Costs

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)</td>
<td>186,718,177</td>
<td>47,790</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction (Net) - Note 25</td>
<td>184,392,486</td>
<td>47,790</td>
</tr>
<tr>
<td>Total</td>
<td>2,325,691</td>
<td></td>
</tr>
</tbody>
</table>

### Note 23/Depreciation and Amortization Expense

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>3,785,465</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3,785,465</td>
<td>-</td>
</tr>
</tbody>
</table>
### Note 24/Other Expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Repair &amp; Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Stations</td>
<td>69,400</td>
<td>-</td>
</tr>
<tr>
<td>Power charges</td>
<td>13,600</td>
<td>-</td>
</tr>
<tr>
<td>Professional Charges</td>
<td>21,270</td>
<td>-</td>
</tr>
<tr>
<td>Consultancy Expenses</td>
<td>344,124,956</td>
<td>85,632,975</td>
</tr>
<tr>
<td>Tender expenses</td>
<td>1,425,915</td>
<td>-</td>
</tr>
<tr>
<td><strong>Payments to Statutory Auditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>34,500</td>
<td>22,900</td>
</tr>
<tr>
<td>Tax Audit Fees</td>
<td>11,500</td>
<td>-</td>
</tr>
<tr>
<td>Out of pocket Expenses</td>
<td>955</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>46,955</td>
</tr>
<tr>
<td>Advertisement and publicity</td>
<td>603,205</td>
<td>1,470,263</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>-</td>
<td>2,155</td>
</tr>
<tr>
<td>CERC Petition &amp; Other charges</td>
<td>500,000</td>
<td>327,900</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>32,218</td>
<td>-</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>1,355,560</td>
<td>1,937,775</td>
</tr>
<tr>
<td>Other charges</td>
<td>16,850</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>348,209,929</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Less: Transferred to Expenditure During Construction (Net) - Note 25</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>348,208,818</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,111</td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 25/Expenditure During Construction (Net)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>69,400</td>
<td>-</td>
</tr>
<tr>
<td>Power charges</td>
<td>13,600</td>
<td>-</td>
</tr>
<tr>
<td>Professional charges</td>
<td>21,270</td>
<td>-</td>
</tr>
<tr>
<td>Consultancy expenses</td>
<td>344,124,956</td>
<td>85,632,975</td>
</tr>
<tr>
<td>Tender expenses</td>
<td>1,425,915</td>
<td>-</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td>46,955</td>
<td>22,900</td>
</tr>
<tr>
<td>Advertisement and Publicity</td>
<td>603,205</td>
<td>1,470,263</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>-</td>
<td>2,155</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>547,957</td>
<td>327,900</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>1,355,560</td>
<td>1,937,775</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td>348,208,818</td>
<td>89,393,968</td>
</tr>
<tr>
<td><strong>B. Finance Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Term Loans</td>
<td>184,392,486</td>
<td>47,790</td>
</tr>
<tr>
<td><strong>Total (B)</strong></td>
<td>184,392,486</td>
<td>47,790</td>
</tr>
<tr>
<td><strong>C. Less: Other Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest from Advance To Contractors</td>
<td>8,261,458</td>
<td>8,893</td>
</tr>
<tr>
<td><strong>Total (C)</strong></td>
<td>8,261,458</td>
<td>8,893</td>
</tr>
<tr>
<td><strong>Grand Total (A+B-C)</strong></td>
<td>524,339,846</td>
<td>89,432,865</td>
</tr>
</tbody>
</table>
Note 26/ Employee Benefit Obligations

The Company does not have any permanent employees. The personnel working for the company are from holding company and are working on time share basis and deputation. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges.

Since there are no employees in the company, the obligation as per IND AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

Note 27/ Fair Value Measurements

(Amount in ₹)

<table>
<thead>
<tr>
<th>Financial instruments by category</th>
<th>31 March 2017</th>
<th>31 March 2016</th>
<th>01 April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised Cost</td>
<td>FVOCI</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>-</td>
<td>16,612,509</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>-</td>
<td>36,729,417</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>53,341,926</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>6,915,677,681</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>1,305,811,602</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td>-</td>
<td>8,221,489,283</td>
<td>-</td>
</tr>
</tbody>
</table>

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,149,693,513</td>
</tr>
</tbody>
</table>
### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>119,442,173</td>
<td>-</td>
<td>119,442,173</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>-</td>
<td>209,056,880</td>
<td>-</td>
<td>209,056,880</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>-</td>
<td>-</td>
<td><strong>328,499,053</strong></td>
<td>-</td>
<td><strong>328,499,053</strong></td>
</tr>
</tbody>
</table>

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 01st April 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>-</td>
<td>166,726,865</td>
<td>-</td>
<td>166,726,865</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>-</td>
<td>-</td>
<td><strong>166,726,865</strong></td>
<td>-</td>
<td><strong>166,726,865</strong></td>
</tr>
</tbody>
</table>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year. The company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.

**(iii) Fair value of financial assets and liabilities measured at amortised cost**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
<th>April 01, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Fair value</td>
<td>Carrying amount</td>
</tr>
<tr>
<td><strong>At 01 April 2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>6,915,677,681</td>
<td>6,843,881,911</td>
<td>121,712,000</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>1,305,811,602</td>
<td>1,305,811,602</td>
<td>209,056,880</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>8,221,489,283</td>
<td>8,149,693,513</td>
<td>330,768,880</td>
</tr>
</tbody>
</table>
The carrying amounts of cash and cash equivalents, other current Financial Assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note 28/ Earnings Per Share**

<table>
<thead>
<tr>
<th>(a) Basic earnings per share attributable to the equity holders of the company-</th>
<th>31 March 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations</td>
<td>0.63</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Basic and Diluted earnings per share attributable to the equity holders of the company</strong></td>
<td><strong>0.63</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

(Amount in ₹)

<table>
<thead>
<tr>
<th>(b) Reconciliation of earnings used in calculating earnings per share</th>
<th>31 March 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company</td>
<td>13,171,947</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Earnings attributable to the equity holders of the company</strong></td>
<td><strong>13,171,947</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

(No. of Shares)

<table>
<thead>
<tr>
<th>(c) Weighted average number of shares used as the denominator</th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>20,844,932</td>
<td>50,000</td>
</tr>
<tr>
<td>Adjustments for calculation of diluted earnings per share:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Weighted average number of equity shares used as the denominator in calculating basic earnings per share</strong></td>
<td><strong>20,844,932</strong></td>
<td><strong>50,000</strong></td>
</tr>
</tbody>
</table>

**Note 29/ Capital Management**

**Risk Management**

The company’s objectives when managing capital are to

- maximize the Shareholder Value
- safeguard its ability to continue as a going concern
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company’s capital management, equity capital includes issued equity capital, securities premium reserve and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

**Note 30/Income Tax Expense**

This Note provides an analysis of the Company’s Income Tax Expense, and how the Tax Expense is affected by Non-Assessable and Non-Deductible Items. It also explains significant estimates made in relation to The company’s Tax Positions.
<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a) Income Tax Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax on Profits for the year</td>
<td>6,220,561</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Tax Expense</strong></td>
<td>6,220,561</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Decrease) Increase in Deferred Tax Liabilities</td>
<td>11,117,117</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Deferred Tax Expense/(Benefit)</strong></td>
<td>11,117,117</td>
<td>-</td>
</tr>
<tr>
<td><strong>Income Tax Expense</strong></td>
<td>17,337,678</td>
<td>-</td>
</tr>
</tbody>
</table>

**(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by India’s Tax Rate:**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before Income Tax Expense</td>
<td>30,509,625</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tax at the Indian Tax Rate of 30.90% (2015-2016 @ Nil)</strong></td>
<td>6,220,561</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>11,117,117</td>
<td>-</td>
</tr>
<tr>
<td><strong>Income Tax Expense</strong></td>
<td>17,337,678</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note 31/ Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Company Identifies, Evaluates and Manages Financial Risks in Close Co-Operation with the Company's Operating Units.

The Company’s activities expose it to the following financial risks, namely,

a) Credit risk,
b) Liquidity risk,
c) Market risk.

**(A) Credit Risk**

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

**(i) Credit Risk Management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

**Cash and cash equivalents**

The Company held Cash and Cash Equivalents of ₹ 16612509/- (31.03.2016 - ₹ 8494667/-) (01.04.2015 - ₹ 19550/-). The Cash and Cash Equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.
(ii) **Provision for Expected Credit Losses**

For Financial Assets, Credit Risk has not increased from Initial Recognition and therefore expected credit loss provisioning is not required.

(B) **Liquidity Risk**

Prudent Liquidity Risk Management implies maintaining Sufficient Cash and Marketable Securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

(i) **Financing arrangements**

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period.

(ii) **Maturities of Financial Liabilities**

The tables below analyse The company’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Contractual Maturities of Financial Liabilities:</th>
<th>Within 1 Year and 2 years</th>
<th>Between 1 and 2 years</th>
<th>Between 2 and 5 years</th>
<th>Beyond 5 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 March 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>491,376,817</td>
<td>514,183,715</td>
<td>4,766,137,866</td>
<td>6,832,690,824</td>
<td>12,604,389,221</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>1,200,500,509</td>
<td>105,311,093</td>
<td>-</td>
<td>-</td>
<td>1,305,811,602</td>
</tr>
<tr>
<td><strong>Total Non-Derivative Liabilities</strong></td>
<td>1,691,877,326</td>
<td>619,494,807</td>
<td>4,766,137,866</td>
<td>6,832,690,824</td>
<td>13,910,200,823</td>
</tr>
<tr>
<td><strong>31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>7,427,753</td>
<td>10,126,438</td>
<td>70,949,982</td>
<td>131,773,525</td>
<td>220,277,699</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>209,047,987</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>209,047,987</td>
</tr>
<tr>
<td><strong>Total non-derivative liabilities</strong></td>
<td>216,475,740</td>
<td>10,126,438</td>
<td>70,949,982</td>
<td>131,773,525</td>
<td>429,325,686</td>
</tr>
<tr>
<td><strong>01 April 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>166,726,865</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>166,726,865</td>
</tr>
<tr>
<td><strong>Total non-derivative liabilities</strong></td>
<td>166,726,865</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>166,726,865</td>
</tr>
</tbody>
</table>

(C) **Market risk**

(i) **Foreign Currency Risk**

The Company is exposed to Currency Risk mainly in respect of procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission Tariff are regulated by the Central Electricity Regulatory Commission (CERC). In Respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of Transmission Tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR is provided in Note-35.

**Note 32**

a) Balances of Advances for Capital Expenditure Shown under Other Non-Current Assets (Note-7) & Dues for Capital Expenditure Shown under Other Non-Current Financial Liabilities (Note-14) include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis and Balance Confirmation are carried out on balances as on 31st March 2017.

b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.
Note 33
Borrowing Cost of ₹ 18,43,92,486/- (Previous Year ₹ 47,790/-) has been adjusted in the Capital Work in Progress (CWIP) as per Ind AS 23- “Borrowing Costs”.

Note 34.
Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>4</td>
<td>The amount of interest accrued and remaining unpaid at the end of each accounting year.</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>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</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Note 35. Foreign Currency Exposure
Not hedged by a derivative instrument or otherwise

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Foreign Currency</th>
<th>Amount in ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03.2017</td>
<td>31.03.2016</td>
</tr>
<tr>
<td>Trade Payables/ Deposits and Retention Money</td>
<td>USD</td>
<td>521326</td>
</tr>
<tr>
<td>Unexecuted Amount of contracts remaining to be executed</td>
<td>USD</td>
<td>3596128</td>
</tr>
</tbody>
</table>

Note 36. Related party Transactions
a) List of Holding Co.

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>India</td>
<td>100%</td>
</tr>
<tr>
<td>REC Transmission Projects Co. Ltd.</td>
<td>India</td>
<td>0%</td>
</tr>
</tbody>
</table>
**b) List of Fellow Subsidiaries Co. (Subsidiary Co. of Holding Co.)**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Powergrid Vizaq Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited **</td>
<td>India</td>
<td></td>
</tr>
</tbody>
</table>

* Ceases to be Subsidiary of holding Co. w.e.f. 02nd January 2017

** 100% Equity in Medinipur Jeerat Transmission Limited acquired by Holding Co. on 28th March 2017.

c) **List of Fellow Joint Ventures (JVs of Holding Co.)**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of Business /Country of Incorporation</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31-Mar-17</td>
</tr>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Energy Efficiency Services Limited *</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Kalinga Vidyu Prasaran Nigam Private Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal</td>
<td></td>
</tr>
</tbody>
</table>

** Ceases to be Joint Venture of Holding Co. w.e.f. 25th April 2016

d) **List of Key Management Personnel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri. R. P. Sasmal</td>
<td>Chairman</td>
</tr>
<tr>
<td>Shri. D. K. Valecha</td>
<td>Director</td>
</tr>
<tr>
<td>Shri. S. Vaithilingam</td>
<td>Director</td>
</tr>
<tr>
<td>Shri. S. K. Gupta</td>
<td>Director</td>
</tr>
<tr>
<td>Shri. D. K. Singh</td>
<td>Director</td>
</tr>
<tr>
<td>Smt. Anjana Luthra</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>Shri. I. Martin Jerome</td>
<td>Chief Finance Officer</td>
</tr>
</tbody>
</table>
(e) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related Parties (Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>146546595</td>
<td>185713321</td>
<td></td>
</tr>
<tr>
<td>REC Transmission Projects Co. Ltd.</td>
<td>Nil</td>
<td>Nil</td>
<td>166726865</td>
</tr>
</tbody>
</table>

(f) Investments Received during the year (Equity)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>250500000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>REC Transmission Projects Co. Ltd.</td>
<td>Nil</td>
<td>Nil</td>
<td>500000</td>
</tr>
</tbody>
</table>

(g) Loans From Related Parties

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>6754255009</td>
<td>121712000</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(h) Interest Accrued on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>161422672</td>
<td>47790</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(i) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services Received by the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>344124956</td>
<td>85632975</td>
</tr>
</tbody>
</table>

(j) Interest on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding Co.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>186718177</td>
<td>47790</td>
</tr>
</tbody>
</table>

Note 37. Segment Information

(a) Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The Company has Single Reportable Segment i.e. Transmission, identified on the basis of product/services.

(b) The Operations of the Company are mainly carried out within the country and therefore, there is no reportable geographical segment.
Note 38. Capital and other Commitments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31.03.2017</th>
<th>As at 31.03.2016</th>
<th>As at 01.04.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on capital account</td>
<td>12757341391</td>
<td>11091424155</td>
<td>Nil</td>
</tr>
<tr>
<td>and not provided for (net of advances)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 39. Contingent Liabilities and Contingent Assets

Contingent Liabilities

There is No Contingent Liability As On 31st March 2017 (Also Nil As On 31st March 2016) in respect of Company which is not acknowledged as debt.

Note 40. Recent Accounting Pronouncements

Standard Issued But Not Yet Effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. This amendment is applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of Cash Flows':

The Amendment to Ind AS 7 'Statement of Cash Flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 41. First Time Adoption of Ind AS

Transition to IND AS

These are the company's first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company’s date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). A Reconciliation from previous GAAP to IND AS is set out below showing how it has affected the Company’s Financial Position, Financial Performance and Cash Flows.

Reconciliation between previous GAAP and IND AS

IND AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The company does not have any impact of Ind AS as on 01st April 2015 and 31st March 2016 on Total Equity and Total Comprehensive Income.

Note 42. The Previous Year’s Figures have been reclassified/re-grouped wherever necessary.

The accompanying Notes (1 to 42) form an Integral Part of Financial Statements.
INDEPENDENT AUDITORS’ REPORT

To the Members Of M/s POWERGRID Warora Transmission Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of M/s POWERGRID Warora Transmission Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a True and Fair view of the state of affairs (Financial Position), Profit or Loss (Financial Performance including other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to Fraud or Error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a True and Fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the Accounting Estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles Generally Accepted in India including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March 2017, and its Profit/Loss (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.

Other Matters

The comparative Financial Information of the company for the year ended 31st March 2016 prepared in accordance with Ind AS included in these IndAS Financial Statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the Predecessor auditor on the comparative Financial Information and the opening balance sheet dated 19th July 2016 expressed an unmodified opinion.

The Transition Date Opening Balance Sheet as at 1stApril 2015 included in these Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2015 Dated 07th May 2015 respectively expressed an unmodified opinion on those Financial Statements, as adjusted for the differences in the Accounting Principles adopted by the Company on Transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in “Annexure “A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure “B” a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The reports on the accounts of the branch offices of the Company required to be audited under Section 143(8) of the Act by branch auditors are not applicable to the Company.

   d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   e. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.

   f. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.

   g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in Annexure “C”.

   h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its Financial Position;

      ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. The company has provided requisite disclosure in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8,2016 to December 30,2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 8 to the financial statements.

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841

Place : Nagpur
Date : 07th July, 2017
Annexure – “A”

As referred to in our Independent Auditors’ Report to the members of the **M/s POWERGRID Warora Transmission Limited** (‘the Company’), on the Financial Statements for the Year Ended 31<sup>st</sup> March, 2017, we report that:

<table>
<thead>
<tr>
<th>Clauses of CARO Report, 2016</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</td>
<td>The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.</td>
</tr>
<tr>
<td>(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;</td>
<td>The Company is having Land, Tower, and Others as a Fixed Assets. The company has not conducted Physical Verification during the year.</td>
</tr>
<tr>
<td>(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;</td>
<td>Conveyance Deed of Warora Land in <strong>area 41.45 Hectare valuing Rs. 12.32 Crores</strong> purchased during FY 16-17 has been transferred in the Name of Company. However, Mutation of the same is under Process.</td>
</tr>
<tr>
<td>(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;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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,</td>
<td>The Company has not grated any Loans to any parties Covered under section 189 of the Companies Act, 2013.</td>
</tr>
<tr>
<td>(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>(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.</td>
<td>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</td>
</tr>
<tr>
<td>(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?</td>
<td>The Company has not accepted any deposits from Public and hence the directives issued by the Reserve bank of India and the provisions of the Sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits ) Rules,2015 with regard to the deposits accepted from the public are not applicable.</td>
</tr>
<tr>
<td>(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</td>
<td>There is no such Cost Records specified by Central Government u/s 148 of the Companies Act, 2013.</td>
</tr>
<tr>
<td>Clauses of CARO Report, 2016</td>
<td>Auditor’s Comment</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------</td>
</tr>
</tbody>
</table>
| (vii) (a) Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:  
  i) Provident Fund;  
  ii) Employees’ state insurance;  
  iii) Income-tax;  
  iv) Sales-tax;  
  v) Service tax;  
  vi) Duty of customs;  
  vii) Duty of excise;  
  viii) Value Added Tax (VAT);  
  ix) Cess; and  
  x) Any other statutory dues.  
  If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor. | The company has been regular during the year in depositing undisputed dues with Provident Fund, Employees State Insurance, Income Tax, Sales tax, Custom Duty & Excise and other Statutory dues with the appropriate authorities. According to the information given to us, there were no undisputed unpaid statutory dues outstanding as at 31st March 2017 for a period of more than six months from date they became payable. |
| (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 information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. |
| (viii) 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 |
<p>| (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 Moneys by way of IPO &amp; 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 upon audit Procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year. |
| (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 upon audit Procedures performed and the information and explanations given by the management, Managerial Remuneration &amp; Other Payments relating to Staff are made from Holding Co. Hence, the clause is not applicable. |
| (xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; | Not Applicable |</p>
<table>
<thead>
<tr>
<th>Clauses of CARO Report, 2016</th>
<th>Auditor’s Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(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;</td>
<td>In our opinion, all the transactions with the “Related Parties” are in accordance with sections 177 and 188 of the Companies Act, 2013 are disclosed.</td>
</tr>
<tr>
<td>(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;</td>
<td>The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.</td>
</tr>
<tr>
<td>(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;</td>
<td>Based upon the audit procedures performed and the information and explanation given by the management, the Company has not entered into any cash transaction with directors or persons concerned with him.</td>
</tr>
<tr>
<td>(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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017
As referred to in our Independent Auditors’ Report to the Members of the **M/s POWERGRID Warora Transmission Limited** ("The Company"), on the Financial Statements for the Year Ended 31st March 2017, We Report that:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Directions</th>
<th>Auditors’ Comments</th>
<th>Action taken by management</th>
<th>Impact on financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings/flats for which title / lease deeds are not available.</td>
<td>The Company is having clear title deeds for freehold land, leasehold land, buildings and flats except as provided in Annexure I.</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.</td>
<td>There are no cases of waiver / write off of debts / loans / interest etc. except as provided in Annexure II.</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties &amp; assets received as gift, grant(s) from the Govt. or other authorities.</td>
<td>The company has maintained adequate records in respect of inventories lying with third parties and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities.</td>
<td>Proper Records are maintained</td>
<td>Nil</td>
</tr>
<tr>
<td>4.</td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 (Annexure III).</td>
<td>The company has provided requisite disclosure in the Financial Statement</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Annexure I

Details of Freehold Land, Leasehold Land, Buildings and Flats for which Title/Lease Deeds are not available

(A) Freehold Land

<table>
<thead>
<tr>
<th>Profit Centre</th>
<th>No. of Cases</th>
<th>Area of Land (in hectares)</th>
<th>Gross Block as on 31.03.17 (in ₹ crores)</th>
<th>Net Block as on 31.03.2017 (in ₹ crores)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>615XX009XX</td>
<td>17</td>
<td>41.45</td>
<td>12.32</td>
<td>12.32</td>
<td>Conveyance Deed is Transferred in the Name of Co. and Mutation is not done yet Under Process.</td>
</tr>
</tbody>
</table>

(B) Leasehold Land

<table>
<thead>
<tr>
<th>Profit Centre</th>
<th>No. of Cases</th>
<th>Area of Land (in hectares)</th>
<th>Gross Block as on 31.03.17 (in ₹ crores)</th>
<th>Net Block as on 31.03.2017 (in ₹ crores)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

(C) Buildings & Flats

<table>
<thead>
<tr>
<th>Profit Centre</th>
<th>No. of Cases</th>
<th>Area of Land</th>
<th>Gross Block as on 31.03.17 (in ₹ crores)</th>
<th>Net Block as on 31.03.2017 (in ₹ crores)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Annexure II

Details of Waiver / Write off of Debts / Loans / Interest etc.

<table>
<thead>
<tr>
<th>Nature of Amount Recoverable (Debt/Loan/Interest etc.)</th>
<th>Customer/Vendor Name</th>
<th>Customer/Vendor Code</th>
<th>Profit Centre</th>
<th>Amount (in ₹ crores)</th>
<th>Reason for Waiver/Write Off</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Annexure III

Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016

<table>
<thead>
<tr>
<th>Particulars</th>
<th>SBNs</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(+) Permitted Receipts</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Permitted Payments</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>(-) Amount deposited in banks</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Closing cash in hand as on 30.12.2016</td>
<td></td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>
As referred to in our Independent Auditors’ Report to the members of the M/s POWERGRID Warora Transmission Limited ("the Company"), on the Financial Statements for the year ended 31st March, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")

We have audited the Internal Financial Controls over Financial Reporting of the company as at 31st March 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining Internal Financial Control based on “the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the Design, Implementation and Maintenance of Adequate Internal Financial Controls that were Operating Effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of its assets, the Prevention and Detection of Frauds and Errors, the accuracy and completeness of the Accounting Records, and the Timely Preparation of Reliable Financial Information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls over Financial Reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System over Financial Reporting and their Operating Effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgement, including the Assessment of the Risks of Material Misstatement of the Financial Statements, whether due to Fraud or Error.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for External Purposes in accordance with Generally Accepted Accounting Principles. A company’s Internal Financial Control over Financial Reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2017, based on “the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 121920W

CA Abhijit Kelkar
Partner
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017
COMPLIANCE CERTIFICATE

We have conducted the audit of annual stand-alone accounts of M/s Powergrid Warora Transmission Limited for the year ended 31st March, 2017 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For M/s Abhijit Kelkar & Co.,
Chartered Accountants
Firm Registration No. 020917N

CA Abhijit Kelkar
(Partner)
Membership No. 110841
Place : Nagpur
Date : 07th July, 2017
POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)
(CIN: U40300DL2016GOI290075)

ANNUAL REPORT - 2016-17
NOTICE

NOTICE is hereby given that the Second Annual General Meeting of the Members of POWERGRID Medinipur Jeerat Transmission Limited will be held on Friday, the 29th September, 2017 at 5:00 p.m. at the Registered Office of the Company i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 to transact the following business:

ORDINARY BUSINESS:
1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

SPECIAL BUSINESS:
3. To appoint Shri Prabhakar Singh (DIN 01391766) as a Director liable to retire by rotation
   To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:
   "RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Prabhakar Singh (DIN 01391766), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

4. To appoint Shri Bharatbhushan Krishnabehari (DIN 0523229) as a Director liable to retire by rotation
   To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:
   "RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Bharatbhushan Krishnabehari (DIN 0523229), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

5. To appoint Shri Devender Kumar Valecha (DIN 06847789) as a Director liable to retire by rotation
   To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:
   "RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Devender Kumar Valecha (DIN 06847789), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

6. To appoint Shri Ranjan Kumar Srivastava (DIN 07338796) as a Director liable to retire by rotation
   To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:
   "RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Ranjan Kumar Srivastava (DIN 07338796), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

7. To appoint Shri Sunit Nath Sahay (DIN 07952754) as a Director liable to retire by rotation
   To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:
   "RESOLVED THAT pursuant to applicable provisions the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Sunit Nath Sahay (DIN 07952754), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director, liable to retire by rotation."

By order of the Board of Directors

Sd/-
(Prabhakar Singh)
Chairman

Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016.
(CIN: U40300DL2011GOI290075)
Date: 28th September, 2017
NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. None of the Directors of the Company is in any way related to each other.

3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in the 1st Annual General Meeting held on 10th August, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors, vide their 11th Meeting held on 13.12.2016, fixed audit fee for the Financial Year 2016-17 at ₹ 25,000/- + Service Tax (as applicable) and reimbursement of out-of-pocket expense up to ₹ 2,500/- + Service Tax (as applicable) based on certification by Auditor and approval of the then Director and Project In-charge of the Company.

5. M/s. Jain Seth & Co., Chartered Accountants, Kolkata have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors, as may be deemed fit, by the Board for the Financial Year 2017-18.

EXPLANATORY STATEMENT

ITEM NO. 3

Appointment of Prabhakar Singh (DIN 01391766), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 as a Director liable to retire by rotation.

Shri Prabhakar Singh (DIN 01391766), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Prabhakar Singh as a Director on the Board of POWERGRID.

The above appointment of Shri Prabhakar Singh as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Prabhakar Singh holds 01 share in the Company (as Nominee) jointly with POWERGRID i.e. the Holding Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.3, as an Ordinary Resolution.

ITEM NO. 4

Appointment of Shri Bharatbhushan Krishnabehari (DIN 05232295) who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 as a Director liable to retire by rotation.

Shri Bharatbhushan Krishnabehari (DIN 05232295), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Bharatbhushan Krishnabehari as a Director on the Board of POWERGRID.

The above appointment of Shri Bharatbhushan Krishnabehari as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Bharatbhushan Krishnabehari does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 4, as an Ordinary Resolution.

ITEM NO. 5

Appointment of Shri Devender Kumar Valecha (DIN 06847789), who was appointed as an Additional Director by the Board of Directors with effect from 28 March, 2017 as a Director liable to retire by rotation.

Shri Devender Kumar Valecha (DIN 06847789), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act
proposing the appointment of Shri Devender Kumar Valecha as a Director on the Board of POWERGRID.

The above appointment of Shri Devender Kumar Valecha as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Devender Kumar Valecha does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 5, as an Ordinary Resolution.

**ITEM NO. 6**

**Appointment of Shri Ranjan Kumar Srivastava (DIN 07338796),** who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 as a Director liable to retire by rotation

Shri Ranjan Kumar Srivastava (DIN 07338796), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office up to the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Ranjan Kumar Srivastava as a Director on the Board of POWERGRID.

The above appointment of Shri Ranjan Kumar Srivastava as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Ranjan Kumar Srivastava holds 01 share in the Company (as Nominee) jointly with POWERGRID i.e. the Holding Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6, as an Ordinary Resolution.

**ITEM NO. 7**

**Appointment of Shri Sunit Nath Sahay (DIN 07952754),** who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 as a Director liable to retire by rotation.

Shri Sunit Nath Sahay (DIN 07952754), who was appointed as an Additional Director by the Board of Directors with effect from 28th March, 2017 and holds office up to the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Sunit Nath Sahay as a Director on the Board of POWERGRID.

The above appointment of Shri Sunit Nath Sahay as Director of the Company, being liable to retire by rotation in terms of Section 152 of the Act requires approval of the Members in the General Meeting.

Shri Sunit Nath Sahay does not hold any share in the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 7, as an Ordinary Resolution.
Directors’ Report

To,
Dear Shareholders,

Ladies & Gentlemen,

Your Directors are pleased to present 2nd Annual Report of the Company along with the Audit Financial Statements during the Financial Year ending 31st March, 2017.

POWERGRID Medinipur Jeerat Transmission Limited (PMJTL), formerly known as Medinipur Jeerat Transmission Limited was incorporated on 22nd January, 2016 as wholly owned Subsidiary Company of PFC Consulting Limited. The Company was acquired by POWERGRID on 28th March, 2017 under Tariff Based Competitive Bidding for establishing Transmission System for “765 kV Strengthening in Eastern Region (ERSS-XVIII). Consequent to such acquisition, PNMTL become the wholly owned subsidiary of POWERGRID w.e.f. 28.03.2017.

Status of Project implementation:
The Company is implementing following elements under its Project:

(i) 765/400 kV, 2 X 1500 MVA Substation at Medinipur;
(ii) 765/400 kV, 2 X 1500 MVA Substation at Jeerat (new);
(iii) Ranchi (new) – Medinipur 765 kV D/C line;
(iv) LILO of both circuits of Chandithala–Kharagpur 400 kV D/C line at Medinipur;
(v) Jeerat (new) – Subhasgram 400 kV D/C line;
(vi) Jeerat (new) – Jeerat (WBSETCL) – 400 kV D/C line;
(vii) LILO of Jeerat (WBSETCL) – Subhagram (POWERGRID) 400 kV S/C section at Rajarhat (POWERGRID);
(viii) 2 numbers of 400 kV GIS Line bays at Jeerat (WBSETCL).
(ix) 765 kV Medinipur-Jeerat D/C line

The land for 765/400kV Medinipur Substation and 765/400kV Jeerat Substation are expected to be acquired / purchased by the Company November/December, 2017 and construction work of the said Substations may commence from December, 2017 / January, 2018.


Share Capital of the Company:
As on 31.03.2017, the Paid-up Share Capital of the Company was 1.00 crore (divided into 10,00,000 Equity Shares of Rs.10/- each).

Dividend and Transfer to Reserves
Your Company’s Project is under implementation hence there is no operating profit.

Particulars of contracts or arrangements with Related Parties
Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure-I to the Directors’ Report.

Director’s Responsibility Statement.
As required u/s 134(3)(c) & 134(5) of the Companies Act, your Directors confirm that:

i) In the preparation of the Annual Accounts for the financial year 2016-17, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
iv) The Directors had prepared the Annual Accounts for the financial year 2016-17 on a going concern basis.

v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Extract of Annual Return

The extract of Annual Return in Form MGT–9 is enclosed at Annexure–II to this Report.

Statutory Auditors Report for Financial Year 2016-17


Statutory Auditor for the Financial Year 2017-18

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s. Jain Seth & Co., Chartered Accountants, Kolkata have been appointed for the Financial Year 2017-18.

Comptroller and Auditors General’s Comments

Principal Director of Commercial Audit and Ex-officio Member, Audit Board-III, Indian Audit and Accounts Department, office of the Director General of Commercial Audit, vide letter dated 22nd September, 2017, has communicated that Comptroller and Auditor General of India have decided not to conduct the supplementary audit of financial statements of POWERGRID POWERGRID Medinipur Jeerat Transmission Limited for the year ended 31st March, 2017 under Section 143(6)(a) of the Companies Act, 2013. Copy of letter dated 22nd September, 2017 is placed at Annexure-III to this Report.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Outgo

Since projects are under implementation, no commercial activity was carried out by the Company, requirement of furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo under section 134(3) of the Companies Act, 2013 is not applicable.

Particulars of Loans, Guarantees or Investments

Your Company has not given any loans, provided any guarantee or security to any other Entity.

Fixed Deposit

Your Company has not accepted any deposit for the period under review.

Board of Directors and Key Managerial Personnel

On acquisition of the Company, Shri Prabhakar Singh, Shri Bharat Bhushan, Shri D.K. Valecha, and Shri Ranjan Kumar Srivastava were appointed as Director of the Company. Shri H.K. Das and V.K. Jain resigned from the post of Directorship of the Company w.e.f. 28.03.2017. As on 31st March, 2017, the Board comprised of 05 Non-Executive Directors - Shri Prabhakar Singh, Shri Bharat Bhushan, Shri D.K. Valecha, Shri Ranjan Kumar Srivastava and Shri P.C. Hembram. POWERGRID had nominated Shri Sunit Nath Sahay as the Part-time Director of the Company. Shri Sunit Nath Sahay has been allotted Director Identification Number (DIN) on 28.09.2017. He has been appointed as Additional Director of the Company w.e.f. 28.09.2017.

Pursuant to Section 161 of the Companies Act, 2013, Shri Prabhakar Singh, Shri Bharat Bhushan, Shri D.K. Valecha, Shri Ranjan Kumar Srivastava and Shri Sunit Nath Sahay Directors of the Company would hold office till the date of the AGM and are eligible for appointment.

Detail of Director or Key Managerial Personnel:

The following are the Directors of the Company at the Year ended 31.03.2017:

1. Shri Prabhakar Singh, Director & Chairman of the Company
2. Shri Bharat Bhushan, Director
3. Shri D.K. Valecha, Director
4. Shri Ranjan Kumar Srivastava, Director
5. Shri P.C. Hembram, Director
6. Shri B. Ghosh, Chief Executive Officer (Part-time)
7. Shri H.Q. Huda, Deputy Chief Executive Officer (Part-time)
8. Shri S.S. Sur, Chief Financial Officer (Part-time) w.e.f. 15.05.2017.
Number of Board meetings held during the year

During the financial year ended 31st March, 2017 fourteen (14) Board meetings were held on 12.05.2016, 10.06.2016, 18.07.2016, 23.08.2016, 19.09.2016, 05.10.2016, 28.11.2016, 13.12.2016, 15.12.2016, 07.02.2017, 20.02.2017, 28.03.2017 (11:00 AM), 28.03.2017 (4:30 PM) and 31.03.2017. Detail of Meetings attended by each Director is given below:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during FY 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri S. Mulchandani*1</td>
<td>Chairman</td>
<td>05</td>
</tr>
<tr>
<td>Shri H.K. Das*2</td>
<td>Director</td>
<td>13</td>
</tr>
<tr>
<td>Shri V.K. Jain*2</td>
<td>Director</td>
<td>13</td>
</tr>
<tr>
<td>Shri P.C. Hembram*3</td>
<td>Director</td>
<td>10</td>
</tr>
<tr>
<td>Shri Prabhat Singh*</td>
<td>Chairman &amp; Director</td>
<td>02</td>
</tr>
<tr>
<td>Shri V.K. Jhaan**</td>
<td>Director</td>
<td>Nil</td>
</tr>
<tr>
<td>Shri D.K. Valecha**</td>
<td>Director</td>
<td>02</td>
</tr>
<tr>
<td>Shri Ranjan Kumar Srivastava**</td>
<td>Director</td>
<td>02</td>
</tr>
</tbody>
</table>

*1 Resigned w.e.f. 19.09.2016.
*2 Resigned w.e.f 28.03.2017
*3 Joined Board w.e.f. 23.08.2016 and resigned w.e.f. 17.04.2017.

Corporate Social Responsibility (CSR)

Your Company’s Project is under implementation hence, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are presently not applicable to the Company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 and corresponding Rules of Chapter XIII are exempt for Government Companies. As your Company is a Government Company, the information is not required to be given.

Acknowledgement

The Board of Directors with deep sense of appreciation acknowledges the guidance and cooperation received from POWERGRID, Comptroller and Auditor General of India, Auditors of the Company.

For and on behalf of the Board of Directors

POWERGRID Medinipur Jeerat Transmission Limited

Sd/-
(Prabhat Singh)
Chairman
DIN: 01391766

Place: New Delhi
Date: 28th September, 2017
POWERGRID Medinipur Jeerat Transmission Limited

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Nature of contracts / arrangements / transaction</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Duration of the contracts / arrangements / transaction</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Justification for entering into such contracts or arrangements or transactions’</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>POWERGRID CORPORATION OF INDIA LIMITED / HOLDING COMPANY</td>
</tr>
<tr>
<td></td>
<td>Nature of contracts/arrangements/transaction</td>
<td>Part (A) to take any security(ies) / Guarantee(s) in connection with loan(s) and/or avail Inter-corporate Loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of ₹ 2,800 crore from POWERGRID. During the year ending 31.03.2017, no Inter-corporate Loan has been availed and the Paid-up Share Capital of the Company also remained at ₹ 1.00 Lakh. Part (B) to avail all input &amp; services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excluding IDC and Consultancy Fee) plus Service Tax as applicable. Refer (b).</td>
</tr>
<tr>
<td></td>
<td>Duration of the contracts / arrangements / transaction</td>
<td>Part (A) As mutually agreed. Part (B) Commissioning of The TCB Project including associated reconciliation activities.</td>
</tr>
<tr>
<td></td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>14.06.2017</td>
</tr>
<tr>
<td></td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
</tbody>
</table>

By order of the Board
For POWERGRID Medinipur Jeerat Transmission Limited
Sd/-
[Prabhat Singh]
(Chairman)
DIN: 01391766

Dated: 28th September, 2017
Place: New Delhi.
POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN U40300DL2016GOI290075
2. Registration Date 22/01/2016
3. Name of the Company POWERGRID MEDINIPUR -JEERAT TRANSMISSION LIMITED
4. Category/Sub-category of the Company COMPANY LIMITED BY SHARES
5. Address of the Registered office & contact details B-9 Qutab Institutional Area,, Katwaria Sarai, South Delhi-110016
6. Whether listed company NO
7. Name, Address & contact details of the Registrar & Transfer Agent, if any. N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name and Description of main products / services</th>
<th>NIC Code of the Product/service</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Develop Power System Network</td>
<td>40105</td>
<td>100%</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>POWERGRID CORPORATION OF INDIA LIMITED</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat  Physical  Total  % of Total Shares</td>
<td>Demat  Physical  Total  % of Total Shares</td>
<td></td>
</tr>
</tbody>
</table>

A. Promoters
(1) Indian
a) Individual (Jointly with Power Grid Corporation of India Limited) at the end of year

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Individual</td>
<td>600  600  6  6  6  0.06</td>
<td>(5.94)</td>
<td></td>
</tr>
</tbody>
</table>

b) Central Govt
<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Bodies Corp.</td>
<td>9400</td>
<td>9400</td>
<td>94</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Any other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total shareholding of Promoter (A)</strong></td>
<td>10000</td>
<td>10000</td>
<td>100</td>
</tr>
</tbody>
</table>

**B. Public Shareholding**

1. **Institutions**
   a) Mutual Funds
   b) Banks / FI
   c) Central Govt
   d) State Govt(s)
   e) Venture Capital Funds
   f) Insurance Companies
   g) FIIs
   h) Foreign Venture Capital Funds
   i) Others (specify)

   **Sub-total (B)(1):-**

2. **Non-Institutions**
   a) Bodies Corp.
   i) Indian
   ii) Overseas
   b) Individuals
   i) Individual shareholders holding nominal share capital up to ₹ 1 lakh
   ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh
   c) Others (specify)

   Non-Resident Indians
   Overseas Corporate Bodies
   Foreign Nationals
   Clearing Members
   Trusts
   Foreign Bodies - D R

   **Sub-total (B)(2):-**

   **Total Public Shareholding (B)=(B)(1)+ (B)(2)**

C. **Shares held by Custodian for GDRs & ADRs**

**Grand Total (A+B+C)** 10000 10000 100 10000 10000 100 NIL
### ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>SN</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
<th>% change in shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of Shares of the company</td>
<td>% of Shares Pledged / encumbered to total shares</td>
</tr>
<tr>
<td>1</td>
<td>PFC CONSULTING LIMITED</td>
<td>9400</td>
<td>94</td>
<td>NIL</td>
</tr>
<tr>
<td>2</td>
<td>PREM PRAKASH SRIVASTAVA</td>
<td>100</td>
<td>1</td>
<td>NIL</td>
</tr>
<tr>
<td>3</td>
<td>SUBIR MULCHANDANI</td>
<td>100</td>
<td>1</td>
<td>NIL</td>
</tr>
<tr>
<td>4</td>
<td>YOGESH JUNEJA</td>
<td>100</td>
<td>1</td>
<td>NIL</td>
</tr>
<tr>
<td>5</td>
<td>RIZWANUR RAHMAN</td>
<td>100</td>
<td>1</td>
<td>NIL</td>
</tr>
<tr>
<td>6</td>
<td>PURN A CHANDRA HEMBRAM</td>
<td>100</td>
<td>1</td>
<td>NIL</td>
</tr>
<tr>
<td>7</td>
<td>VIRENDER KUMAR JAIN</td>
<td>100</td>
<td>1</td>
<td>NIL</td>
</tr>
<tr>
<td>8</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
<tr>
<td>9</td>
<td>SHRI RAVI P SINGH</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
<tr>
<td>10</td>
<td>SHRI PRABHAKAR SINGH (Jointly with POWERGRID)</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
<tr>
<td>11</td>
<td>SHRI R P SASMAL (Jointly with POWERGRID)</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
<tr>
<td>12</td>
<td>SHRI K SREEKANT (Jointly with POWERGRID)</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
<tr>
<td>13</td>
<td>SHRI R K SRIVASTAVA (Jointly with POWERGRID)</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
<tr>
<td>14</td>
<td>SHRI A K SINGHAL (Jointly with POWERGRID)</td>
<td>0</td>
<td>0</td>
<td>NIL</td>
</tr>
</tbody>
</table>
### iii. Change in Promoters’ Shareholding (please specify, if there is no change)

<table>
<thead>
<tr>
<th>SN</th>
<th>Particulars</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
<td>No. of shares</td>
</tr>
<tr>
<td>1.</td>
<td>PFC CONSULTING LIMITED</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>9400</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF 9400 SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>PREM PRAKASH SRIVASTAVA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF 100 SHARES ON 19.09.2016</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3.</td>
<td>SUBIR MULCHANDANI</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF 100 SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>YOGESH JUNEJA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>RIZWANUR RAHMAN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SN</td>
<td>Particulars</td>
<td>Shareholding at the beginning of the year</td>
<td>Cumulative Shareholding during the year</td>
</tr>
<tr>
<td>----</td>
<td>---------------------------------</td>
<td>------------------------------------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>6.</td>
<td>PURNA CHANDRA HEMBRAM</td>
<td>100</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>7.</td>
<td>VIRANDRA KUMAR JAIN</td>
<td>100</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>8.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>9994</td>
<td>99.94%</td>
</tr>
<tr>
<td>9.</td>
<td>SHRI RAVI P SINGH</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>1</td>
<td>0.01%</td>
</tr>
<tr>
<td>10.</td>
<td>SHRI PRABHAKAR SINGH</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>1</td>
<td>0.01%</td>
</tr>
</tbody>
</table>
iv. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>SN</th>
<th>Particulars</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>11.</td>
<td>SHRI R P SASMAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>1</td>
<td>0.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SN</th>
<th>Particulars</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>12.</td>
<td>SHRI K SREEKANT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>1</td>
<td>0.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SN</th>
<th>Particulars</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>13.</td>
<td>SHRI R K SRIVASTAVA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>1</td>
<td>0.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SN</th>
<th>Particulars</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>14.</td>
<td>SHRI A K SINGHAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>DUE TO TRANSFER OF SHARES ON 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>1</td>
<td>0.01</td>
</tr>
</tbody>
</table>

iv. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>SN</th>
<th>For Each of the Top 10 Shareholders</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
v. Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>SN</th>
<th>Shareholding of each Directors and Key Managerial Personnel</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>1.</td>
<td>Shri Prabhakar Singh</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Due to transfer of shares on 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SN</th>
<th>Shareholding of each Directors and Key Managerial Personnel</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>2.</td>
<td>Shri R. K. Srivastava</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Due to transfer of shares on 28.03.2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

<table>
<thead>
<tr>
<th></th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td>0</td>
<td>2473231</td>
<td>0</td>
<td>2473231</td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total (i+ii+iii)</strong></td>
<td><strong>0</strong></td>
<td><strong>2473231</strong></td>
<td><strong>0</strong></td>
<td><strong>2473231</strong></td>
</tr>
</tbody>
</table>

Change in Indebtedness during the financial year

* Addition | 0 | 0 | 0 | 0 |
* Reduction | 0 | 2473231 | 0 | 0 |
Net Change | 0 | 2473231 | 0 | 2473231 |

Indebtedness at the end of the financial year

<table>
<thead>
<tr>
<th></th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Principal Amount</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total (i+ii+iii)</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

<table>
<thead>
<tr>
<th>SN.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MD</td>
<td>WTD</td>
</tr>
<tr>
<td>1</td>
<td><strong>Gross salary</strong></td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income-tax Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Stock Option</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Sweat Equity</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Commission</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Others, please specify</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total (A)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

B. Remuneration to other directors

<table>
<thead>
<tr>
<th>SN.</th>
<th>Particulars of Remuneration</th>
<th>Name of Directors</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Independent Directors</strong></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total (1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Other Non-Executive Directors</strong></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fee for attending board committee meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total (2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total (B)= (1+2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

<table>
<thead>
<tr>
<th>SN</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1</td>
<td><strong>Gross salary</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Stock Option</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Sweat Equity</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Commission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>others, specify...</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Others, please specify</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief Description</th>
<th>Details of Penalty / Punishment/ Compounding fees imposed</th>
<th>Authority [RD / NCLT/ COURT]</th>
<th>Appeal made, if any (give Details)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. COMPANY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Punishment</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compounding</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td>B. DIRECTORS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Punishment</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compounding</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td>C. OTHER OFFICERS IN DEFAULT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penalty</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Punishment</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compounding</td>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
</tbody>
</table>

By order of the Board
For Powergrid Medinipur Jeerat Transmission Limited

Sd/-
[Prabakar Singh]
Chairman
DIN: 01391766

Dated: 28th September, 2017
Place: New Delhi.
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID MEDI尼UR JEERAT TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Medinipur Jeerat Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Medinipur Jeerat Transmission Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

Place: New Delhi
Dated: 22 September 2017

For and on behalf of the
Comptroller & Auditor General of India

(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi
## Balance Sheet as at 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>As at 31.03.2017</th>
<th>As at 31.03.2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital work-in-progress</td>
<td>4</td>
<td>191,977,539</td>
<td>2,593,007</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5</td>
<td>3,014,250</td>
<td>99,550</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>2,692,557</td>
<td>2,692,557</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share Capital</td>
<td>6</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>7</td>
<td>(17,720)</td>
<td>(17,720)</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Borrowings</td>
<td>8</td>
<td>-</td>
<td>2,473,231</td>
</tr>
<tr>
<td>(ii) Other current financial liabilities</td>
<td>9</td>
<td>194,909,509</td>
<td>45,515</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>10</td>
<td>-</td>
<td>91,531</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>194,909,509</td>
<td>2,610,277</td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 27) form an integral part of financial statements

As per our report of even date

Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg No. : 009942N

CA Rajeev Jain
(Partner)
M. No. 086129
Place : New Delhi
Date : 10th August, 2017

For and on behalf of Board of Directors

Prabhakar Singh
Chairman
DIN: 01391766

Ranjan Kumar Srivastava
Director
DIN: 07338796
Statement of Profit and Loss for the year ended 31st March, 2017  

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Revenue from operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II Other income</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III Total Income (I+II)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Expenses</td>
<td></td>
<td></td>
<td>17,720</td>
</tr>
<tr>
<td>Total Expenses (IV)</td>
<td></td>
<td></td>
<td>17,720</td>
</tr>
<tr>
<td>V Profit before tax (III-IV)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI Tax expense</td>
<td></td>
<td></td>
<td>(17,720)</td>
</tr>
<tr>
<td>VII Profit for the period (V-VI)</td>
<td></td>
<td></td>
<td>(17,720)</td>
</tr>
<tr>
<td>VIII Other Comprehensive Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX Total Comprehensive Income</td>
<td></td>
<td></td>
<td>(17,720)</td>
</tr>
<tr>
<td>X Earning Per equity share (par value of ₹ 10 each):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Basic (₹)</td>
<td></td>
<td></td>
<td>(1.77)</td>
</tr>
<tr>
<td>- Diluted (₹)</td>
<td></td>
<td></td>
<td>(1.77)</td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 27) form an integral part of financial statements

As per our report of even date

Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg No. : 009942N

CA Rajeev Jain  
(Partner)  
M. No. 086129

Place : New Delhi  
Date : 10th August, 2017

For and on behalf of Board of Directors

Prabhakar Singh  
Chairman  
DIN: 01391766

Ranjan Kumar Srivastava  
Director  
DIN: 07338796
# Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
</table>

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Profit/(Loss) before tax
Operating profit/(loss) before working capital change
Adjustment for:
Increase/(Decrease) in other current financial liabilities
Increase/(Decrease) in other current liabilities

| Net cash flow from operating activities | 194,772,463 | 119,326 |

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Capital work in progress (CWIP)

| Net cash used in Investing activities | (189,384,532) | (2,593,007) |

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Issue of share capital during the year
Loans repaid during the year
Loans raised during the year

| Net cash flow/used from/in financing activities | (2,473,231) | 2,573,231 |

**D.** Net change in Cash and Cash equivalents (A+B+C)

| 2,914,700 | 99,550 |

**E.** Cash and Cash equivalents (opening balance)

| 99,550 | - |

**F.** Cash and Cash equivalents (closing balance)

| 3,014,250 | 99,550 |

Note:
Previous year figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date

For and on behalf of Board of Directors

Rajeev Amitabh & Co.

Chartered Accountants

Firm Reg No. : 009942N

CA Rajeev Jain  
(Partner)  
M. No. 086129

Place : New Delhi  
Date : 10th August, 2017

Rajeev Jain  
Chairman  
DIN: 01391766

Prabhakar Singh  
Chairman  
DIN: 07338796

Ranjan Kumar Srivastava  
Director  
DIN: 07338796
Statement of Changes in Equity for the year ended 31st March, 2017

A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>-</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>100,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>100,000</td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>100,000</td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>(17,720)</td>
<td>(17,720)</td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>(17,720)</td>
<td>(17,720)</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31st March, 2017</td>
<td>(17,720)</td>
<td>(17,720)</td>
</tr>
</tbody>
</table>

As per our report of even date

Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg No.: 009942N

CA Rajeev Jain
(Partner)
M. No. 086129
Place: New Delhi
Date: 10th August, 2017

For and on behalf of Board of Directors

Prabhakar Singh
Chairman
DIN: 01391766

Ranjan Kumar Srivastava
Director
DIN: 07338796
Notes to Financial Statements

1. Corporate & General Information

Powergrid Medinipur Jeerat Transmission Limited (formerly Medinipur-Jeerat Transmission Limited) ("the Company") is a company domiciled and incorporated in India on 22nd February, 2016 under the provisions of Companies Act and is wholly owned subsidiary of M/s Power Grid Corporation of India Limited by virtue of acquiring 100% shareholding on 28th March, 2017 through Tariff based competitive bidding from M/s PFC Consulting Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. The company is engaged in the business of Power Transmission Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The Financial Statements of the Company for the year ended 31st March, 2017 were approved for issue by the Board of Directors on 10th August, 2017.

2. Significant Accounting Policies

2.1. A Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the provisions of the Electricity Act, 2003 to the extent applicable and as amended therof.

The financial statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note-26 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note-3 on critical accounting estimates, assumptions and judgments).

2.1.8 Company does not have any Inventory, Intangible Assets, Intangible assets under development, Property, Plant and Equipment etc as on the date of balance sheet. However, the Company has formulated the following accounting policies for compliance whenever required.

2.2 Property, Plant and Equipment

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, ‘First-time adoption of Indian Accounting standard’.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in term of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

De-recognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.4 Intangible Assets and Intangible Assets under development

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.5 Depreciation / Amortisation

Depreciation / Amortisation on assets is provided on straight line method following the rates and methodology notified by CERC for the purpose of recovery of tariff, except for assets specified in following paragraphs.
Depreciation on following assets is provided based on estimated useful life as per technical assessment.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3 years</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as Nil.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with nil residual value.

Mobile phones are charged off in the year of purchase.

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets following the rate & methodology notified by the CERC.

The residual values, useful lives and methods of depreciation for are reviewed at each financial year end and adjusted prospectively, wherever required.

Fixed Assets costing ₹ 5,000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulations. Leasehold land acquired on perpetual lease is not amortized.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets till the assets are ready for the intended use.

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.
2.10 Leases

i) As A Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

b) Operating lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the following:

- the entity’s business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.
De-recognition of financial assets

A financial asset is derecognized only when
- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company’s financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of Profit or Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the company’s functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company’s financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability
Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

### 2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognised when right to receive payment is established.

### 2.15 Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

### 2.16 Provisions and Contingencies

#### a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

### 2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self insurance reserve is created @0.12% p.a. on Gross Block of property, plant and equipment except assets covered under insurance as at the end of the year by appropriation of current years profit to mitigate future losses from uninsured risks. The same is shown as “Self Insurance Reserve” under “Other Equity”.

### 2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

### 2.19 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.
2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the Ind AS 7 ‘Statement of Cash Flows’.

3. Critical Estimates:

The preparation of financial statements requires the use of accounting estimates which, may significantly vary from the actual results. Management also needs to exercise judgement while applying the Companie’s accounting policies.

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4. Capital work in progress

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April,2016</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure pending allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure during construction period(net) (Note-14)</td>
<td>2,593,007</td>
<td>189,384,532</td>
<td>-</td>
<td>-</td>
<td>191,977,539</td>
</tr>
<tr>
<td>Total</td>
<td>2,593,007</td>
<td>189,384,532</td>
<td>-</td>
<td>-</td>
<td>191,977,539</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April,2015</th>
<th>Additions during the year</th>
<th>Adjustments</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure pending allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure during construction period(net) (Note-14)</td>
<td>2,593,007</td>
<td></td>
<td>-</td>
<td>-</td>
<td>2,593,007</td>
</tr>
<tr>
<td>Total</td>
<td>2,593,007</td>
<td></td>
<td>-</td>
<td>-</td>
<td>2,593,007</td>
</tr>
</tbody>
</table>

5 Cash and cash equivalents

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-In Current accounts</td>
<td>3,014,250</td>
<td>99,550</td>
</tr>
<tr>
<td>-In designated current accounts( Advance received from clients related to Consultancy Assignments)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In term deposits (With maturity less than 3 months)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Drafts/Cheques in hand</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Remmittances in transit</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Others (Stamps and Imprest)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,014,250</td>
<td>99,550</td>
</tr>
</tbody>
</table>

Further notes:

Balance in current account includes:
1) ₹ 5.93 crore (Previous year ₹ 4.31 Crore) towards unclaimed Dividend
2) ₹ 1140.40 crores Crore (Previous year ₹ 1399.22 crore) lying in designated accounts to be utilised for specified purposes.
Details of Specified Bank Notes (SBN)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in hand as on 08.11.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(+) Permitted Receipts</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Permitted Payments</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Closing Cash in hand as on 30.12.2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

6 Equity Share capital

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10000 (Previous year 10000) equity share of ₹ 10/- each at par</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10000 (Previous year 10000) equity share of ₹ 10/- each at par fully paid up</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Further Notes:
1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>10,000 100,000</td>
<td>-</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>- -</td>
<td>10,000 100,000</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>- -</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>10,000 100,000</td>
<td>10,000 100,000</td>
</tr>
</tbody>
</table>

2) The Company has only one class of equity shares having a par value of ₹ 10/- per share.

3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

4) Shareholders holding more than 5% equity shares of the Company.s

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Limited*</td>
<td>10000 100%</td>
<td>-</td>
</tr>
<tr>
<td>PFC Consulting Limited**</td>
<td>- -</td>
<td>10000 100%</td>
</tr>
</tbody>
</table>

* Equity Share are held by M/s Power Grid Corporation of India Ltd and through its nominees.

**Equity shares held by M/s PFC Consulting Limited and through its nominees.
## 7 Other Equity

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserves and Surplus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities Premium Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Redemption Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Insurance Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Social Responsibility (CSR) Activity Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Retained Earnings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>(17,720)</td>
<td>-</td>
</tr>
<tr>
<td>Addition during the year</td>
<td>-</td>
<td>(17,720)</td>
</tr>
<tr>
<td>Profit after tax as per Statement of Profit &amp; Loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Bond Redemption Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Adj</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend tax adjusted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Redemption Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR Activities Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LDC Development Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Insurance Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend tax adjusted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim dividend paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Interim dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on proposed Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>(17,720)</td>
<td>(17,720)</td>
</tr>
</tbody>
</table>

### Other Reserves

**Other Comprehensive Income Reserve**

As per last balance sheet

Additions during the year

Deductions during the year

**Total**

(17,720) (17,720)

**Nature and purpose of reserves**

**Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Bonds Redemption Reserve**

Bonds Redemption Reserve is created by companies that have issued Bonds to protect the interests of bond holders. Companies Act requires every company to credit adequate amounts to BRR from its profits every year until such bonds are redeemed.
Self Insurance Reserve

Self Insurance Reserve is created @ 0.1% p.a. on Gross block of Fixed Assets (except assets covered under Mega insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self Insurance reserve" under 'Reserves and Surplus'.

Corporate Social Responsibility (CSR) Activity Reserve

Corporate Social Responsibility Reserve is created to book the surplus arising out of CSR activities as required by Companies Act.

General Reserve

General Reserve are retained earnings of company which are kept aside out of company’s profits to meet future (known or unknown) obligations. It is a free reserves which can be utilized --To settle any unknown future contingencies; To increase the working capital; To strengthen the financial position of the company; To pay dividends to shareholders more than specified limits

Note 8/Borrowings

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From PFC Consulting Limited (Holding Company)*</td>
<td>-</td>
<td>2,473,231</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>2,473,231</td>
</tr>
</tbody>
</table>

Note:
*ceased to be Holding Company w.e.f. 28th March, 2017

Note 9/Other current financial liabilities

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest accrued but not due on borrowings from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFC Consulting Limited (Holding Company)*</td>
<td>-</td>
<td>16,890</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses payable</td>
<td>-</td>
<td>28,625</td>
</tr>
<tr>
<td>Payable to Power Grid Corporation of India Ltd (Holding Company)</td>
<td>194,909,509</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>194,909,509</td>
<td>45,515</td>
</tr>
</tbody>
</table>

Note:
Disclosure with regards to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act" is given in Note No 16.
*ceased to be Holding Company w.e.f. 28th March, 2017

Note 10/Other current liabilities

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>-</td>
<td>91,531</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>91,531</td>
</tr>
</tbody>
</table>
### Note 11/ Other income

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of RFP</td>
<td>3,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during construction (Net) (Note-14)</td>
<td>3,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Note 12/ Finance costs

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Expenses</td>
<td>998,382</td>
<td>18,902</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during construction (net) (Note-14)</td>
<td>998,382</td>
<td>18,902</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Note 13/ Other Expenses

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manpower Charges</td>
<td>9,470,431</td>
<td>1,066,524</td>
</tr>
<tr>
<td>Payments to the auditor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Audit fee</td>
<td>28,750</td>
<td>28,625</td>
</tr>
<tr>
<td>Legal, Professional and Consultancy Charges</td>
<td>174,429,847</td>
<td>59,071</td>
</tr>
<tr>
<td>Advertisement Expenses</td>
<td>2,516,896</td>
<td>1,222,936</td>
</tr>
<tr>
<td>CERC petition &amp; other charges</td>
<td>2,600,000</td>
<td>-</td>
</tr>
<tr>
<td>Tour &amp; Travels</td>
<td>232,114</td>
<td>81,168</td>
</tr>
<tr>
<td>Other Administrative Expenses</td>
<td>1,487,016</td>
<td>115,781</td>
</tr>
<tr>
<td>Interest Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin- Books &amp; Periodicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canteen Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease Rent Vehicle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin- Local Conveyance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manpower for Vehicle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Official Hospitality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Photography Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage and Courier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>22,311</td>
<td>-</td>
</tr>
<tr>
<td>Security Expenses</td>
<td>306,881</td>
<td>-</td>
</tr>
<tr>
<td>Telephone Expenses</td>
<td>93,731</td>
<td>-</td>
</tr>
<tr>
<td>Vehical Running Expenses</td>
<td>198,173</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>191,386,150</td>
<td>2,574,105</td>
</tr>
</tbody>
</table>

Less: Transferred to Expenditure during construction (net) (Note-14)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Note 14/ Expenditure during construction (Net)s

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manpower Charges</td>
<td>9,470,431</td>
<td>1,066,524</td>
</tr>
<tr>
<td>Payments to the auditor:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- As auditor</td>
<td>28,750</td>
<td>28,625</td>
</tr>
<tr>
<td>Legal, Professional and Consultancy Charges</td>
<td>174,429,847</td>
<td>59,071</td>
</tr>
<tr>
<td>Advertisement Expenses</td>
<td>2,516,896</td>
<td>1,222,936</td>
</tr>
<tr>
<td>CERC petition &amp; other charges</td>
<td>2,600,000</td>
<td>-</td>
</tr>
<tr>
<td>Tour &amp; Travels</td>
<td>232,114</td>
<td>81,168</td>
</tr>
<tr>
<td>Other Administrative Expenses</td>
<td>1,487,016</td>
<td>115,781</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>22,311</td>
<td>-</td>
</tr>
<tr>
<td>Security Expenses</td>
<td>306,881</td>
<td>-</td>
</tr>
<tr>
<td>Telephone Expenses</td>
<td>93,731</td>
<td>-</td>
</tr>
<tr>
<td>Vehical Running Expenses</td>
<td>198,173</td>
<td>-</td>
</tr>
<tr>
<td>Total (A)</td>
<td>191,386,150</td>
<td>2,574,105</td>
</tr>
<tr>
<td><strong>B. Finance Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expenses</td>
<td>998,382</td>
<td>18,902</td>
</tr>
<tr>
<td>Total (B)</td>
<td>998,382</td>
<td>18,902</td>
</tr>
<tr>
<td><strong>C. Less: Other Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of RFP</td>
<td>3,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total (C)</td>
<td>3,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total (A+B-C)</td>
<td>189384532</td>
<td>2593007</td>
</tr>
</tbody>
</table>

15. Consequent to the selection of successful bidder, M/s Power Grid Corporation of India Limited (PGCIL) (Successful Bidder) as per Tariff based competitive bidding guidelines for transmission services and guidelines for encouraging competition in development of transmission projects dated 13/04/2006 (as amended from time to time) and as per bidding documents issued, the 100% Shareholding of the company is being transferred to M/s Power Grid Corporation of India Limited (PGCIL) (Successful Bidder) vide Share purchase Agreement dated March 28, 2017 by the M/s PFC Consulting Limited (PFCCL) (transferor). After transfer, the company was ceased to be a subsidiary of PFCCL, and become subsidiary of Power Grid Corporation of India Limited.

16. Based on information available with the company, there are no supplier’s/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

17. (a) There are no employees on the payroll of the company. As such the obligation as per Ind AS 19 'Employee Benefits' does not arise.

(b) All expenses are incurred on behalf of the Company by then holding company PFCCL and charged to the company on actual basis by way of raising debit note/invoices. Original supporting bills in respect of such expenditure incurred by the PFCCL are in the name of PFCCL and retained by them of which copies are available with the Company. PFCCL is complying with all statutory provisions relating to the deduction of tax at sources and service tax etc. as applicable to these expenses.
18. Fair Value Measurements

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>-</td>
<td>30,14,250</td>
</tr>
<tr>
<td>Total Financial assets</td>
<td>30,14,250</td>
<td>99,550</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>19,49,09,509</td>
</tr>
<tr>
<td>Other Current Financial Liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>-</td>
<td>24,73,231</td>
</tr>
</tbody>
</table>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An Explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.

Fair value of financial assets and liabilities measured at amortized cost

The carrying amounts of cash and cash equivalents, borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
### 19. Related party Transactions

**(a) Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
<th>31-Mar-2017</th>
<th>31-Mar-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India- Holding Company</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PFC Consulting Limited *</td>
<td>India- Holding Company</td>
<td>-</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

* ceased to be Holding Company w.e.f. 28th March, 2017

**(b) Subsidiaries of Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
<th>31-Mar-2017</th>
<th>31-Mar-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Vizag Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited *</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* ceased to be subsidiary of holding company w.e.f. 2nd January 2017

**(c) Joint Ventures of Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
<th>31-Mar-2017</th>
<th>31-Mar-2016</th>
<th>01-Apr-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kalinga Vidyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### (d) Key Management Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Date of Appointment</th>
<th>Date of Cessation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sh. Prabhakar Singh</td>
<td>Part time Chairman &amp; Director</td>
<td>28/03/2017</td>
<td>-</td>
</tr>
<tr>
<td>Sh. D. K. Valecha</td>
<td>Director</td>
<td>28/03/2017</td>
<td>-</td>
</tr>
<tr>
<td>Sh. Bharat Bhushan</td>
<td>Director</td>
<td>28/03/2017</td>
<td>-</td>
</tr>
<tr>
<td>Sh. R. K. Srivastava</td>
<td>Director</td>
<td>28/03/2017</td>
<td>-</td>
</tr>
<tr>
<td>Sh. Bhabataran Ghosh</td>
<td>CEO</td>
<td>28/03/2017</td>
<td>-</td>
</tr>
<tr>
<td>Sh. Subir Mulchandani</td>
<td>Chairman</td>
<td>-</td>
<td>19/09/2016</td>
</tr>
<tr>
<td>Sh. Hemant Kumar Das</td>
<td>Chairman</td>
<td>-</td>
<td>28/03/2017</td>
</tr>
<tr>
<td>Sh. Virendra Kumar Jain</td>
<td>Director</td>
<td>-</td>
<td>28/03/2017</td>
</tr>
<tr>
<td>Sh. Purna Chandra Hembram</td>
<td>Director</td>
<td>-</td>
<td>28/03/2017</td>
</tr>
</tbody>
</table>

### (e) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services received by the Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFC Consulting Limited</td>
<td>17,25,00,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>17,25,00,000</td>
<td>-</td>
</tr>
</tbody>
</table>

(f) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31 March, 2017</th>
<th>As on 31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other payables</td>
<td>19,49,09,509</td>
<td>-</td>
</tr>
<tr>
<td>Other payables to related parties</td>
<td>19,49,09,509</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loans from related parties</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other payables</td>
<td></td>
<td>24,73,231</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>24,73,231</td>
</tr>
</tbody>
</table>
Interest accrued on Loans

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31 March, 2017</th>
<th>As on 31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PFC Consulting Limited</td>
<td></td>
<td>16,890</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>16,890</td>
</tr>
</tbody>
</table>

20. Capital and other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is **NIL**.

21. Contingent Liabilities and Contingent Assets

There is no Contingent Liabilities & Contingent Assets as at 31st March 2017 (Nil at 31st March 2016).

22. Segment Information

**Business Segment**

The Board of Directors is the company’s Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

23. Capital management

a) Risk Management

The company’s objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company’s capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

24. Earnings per share

(Amount in ₹)

<table>
<thead>
<tr>
<th>(a) Basic and diluted earnings per share attributable to the equity holders of the company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations</td>
<td>-</td>
<td>(1.77)</td>
</tr>
<tr>
<td>Total basic &amp; diluted earnings per share attributable to the equity holders of the company</td>
<td>-</td>
<td>(1.77)</td>
</tr>
<tr>
<td>(Amount in ₹)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(b) Reconciliation of earnings used in calculating earnings per share</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company</td>
<td>-</td>
<td>(17,720)</td>
</tr>
<tr>
<td>Total Earnings attributable to the equity holders of the company</td>
<td>-</td>
<td>(17,720)</td>
</tr>
</tbody>
</table>
(c) Weighted average number of shares used as the denominator

<table>
<thead>
<tr>
<th>31 March, 2017 No. of shares</th>
<th>31 March, 2016 No. of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>10000</td>
</tr>
<tr>
<td>Adjustments for calculation of diluted earnings per share</td>
<td>-</td>
</tr>
<tr>
<td>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</td>
<td>10000</td>
</tr>
</tbody>
</table>

25. Financial Risk Management:

The Company’s principal financial liabilities comprise other current financial. The main purpose of these financial liabilities is to finance the Company’s capital investments and operations.

The Company’s principal financial assets include cash and cash equivalents that are generated from its operations.

The Company’s activities expose it to the following financial risks, namely,

a) Credit risk,
b) Liquidity risk,
c) Market risk.

This note presents information regarding the company’s exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the Company is summarized below:

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advance and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

Other Financial Assets

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 3014250 (31st March, 2016: ₹ 99550). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3014250</td>
<td>99550</td>
</tr>
<tr>
<td>Total</td>
<td>3014250</td>
<td>99550</td>
</tr>
<tr>
<td>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>
• **Provision for expected credit losses**

**Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

**B) Liquidity risk**

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company’s liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

**Maturities of financial liabilities**

The tables below analyses the company’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

<table>
<thead>
<tr>
<th>Contractual maturities of financial liabilities</th>
<th>Within a year</th>
<th>Between 1-5 years</th>
<th>Beyond 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st March 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>19,49,09,509</td>
<td>-</td>
<td>-</td>
<td>19,49,09,509</td>
</tr>
<tr>
<td>Total</td>
<td>19,49,09,509</td>
<td>-</td>
<td>-</td>
<td>19,49,09,509</td>
</tr>
<tr>
<td>31st March 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>25,18,746</td>
<td>-</td>
<td>-</td>
<td>25,18,746</td>
</tr>
<tr>
<td>Total</td>
<td>25,18,746</td>
<td>-</td>
<td>-</td>
<td>25,18,746</td>
</tr>
</tbody>
</table>

**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**

The Company is not exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchases consideration is denominated in foreign currency. As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.

ii) **Interest rate risk**

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

**26. First time adoption of Ind AS**

**Transition to Ind AS**

These are the company’s first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017 and the comparative information presented in these financial statements for the year ended 31 March 2016. M/s Powergrid Corporation of India Limited has acquired 100% equity in M/s Powergrid Medinipur Jeerat Transmission Limited (formerly Medinipur-Jeerat Transmission Limited) on 28th March, 2017 from M/s PFC Consulting Limited.
Reconciliation of equity as at 31st March 2016
There is no impact of Ind AS as on 31st March 2016 in total equity. So there is no change in total equity as on 31st March 2016.

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016
There is no impact of Ind AS as on 31st March 2016 in Total Comprehensive Income. So there is no change in Total Comprehensive Income as on 31st March 2016.

Impact of Ind AS adoption on the Statements of Cash Flows for the year ended 31st March 2016
There is no impact of Ind AS as on 31st March 2016 in Statements of Cash Flows. So there is no change in Statements of Cash Flows as on 31st March 2016.

27. (a) Figures have been rounded off to nearest off to nearest rupees.
(b) Previous year figures have been regrouped/rearrange wherever necessary.

As per our report of even date
For & on behalf of
Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg No. : 009942N

CA Rajeev Jain
(Partner)
M. No. 086129

Prabhakar Singh
Chairman
DIN: 01391766

Ranjan Kumar Srivastava
Director
DIN: 07338796

Place : New Delhi
Date : 10th August, 2017

For and on behalf of Board of Directors
INDEPENDENT AUDITORS’ REPORT

To the Members of POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rule issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our report expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure ‘1’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure ‘2’ a statement on the directions issued
under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure ‘3’.

   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has no pending litigations on its financial position in its Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The company has provided requisite disclosures in Note No 5 these Ind AS financial statements as to holding of Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, on the basis of information available with the company. Based on audit procedures, and relying on management’s representations we report that disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management.

For Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain
(Partner)
M.No.: 086129

Place: New Delhi
Date: 10th August, 2017
As referred to in our Independent Auditors’ Report to the members of the POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) (‘the Company’), on the financial statements for the year ended 31st March, 2017, we report that:

(i) The company has no Fixed Assets other than Capital work in progress. Hence the provisions of clause (i) of paragraph 3 of the Order are not applicable.

(ii) The Company does not hold any inventories; hence clause (ii) of paragraph 3 of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanation given to us, the company does not give any loan, guarantee and security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the company has complied with the provisions of section 186 of the Act, with respect to the loans made.

(v) Based on our security of the Company's records and according to information and explanations given to us, in our opinion, the company has not accepted deposit from the public within the provisions of the sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

(vi) According to the information and explanations given to us, the Company is not required to maintained cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013.

(vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.

b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise, Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess which have not been deposited.

(viii) According to the information and explanations given to us, the Company has not taken any loan from any financial institution or bank or debenture holder, hence clause (viii) of paragraph 3 of the Order is not applicable.

(ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Order is not applicable.

(x) Based upon the audit procedure performed and information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year under audit.

(xi) In our opinion and according to the information and explanations given to us, the company has not paid/provided for any managerial remuneration during the year as stipulated to section 197 read Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.

(xii) The Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.

(xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.

For Rajeev Amitab & Co.s
Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain
(Partner)
M.No.: 086129

Place: New Delhi
Date: 10th August, 2017
Annexure referred to in our report of even date to the members of POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) ('the Company') on the account for the year ended 31st March 2017.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Directions</th>
<th>Auditor’s comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the company has clear title / lease deeds for freehold, leasehold</td>
<td>The company does not have any freehold and leasehold land, hence not applicable.</td>
</tr>
<tr>
<td></td>
<td>land &amp; building and flats? If not, please state the area of the freehold,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>leasehold land and buildings/flats for which title / lease deeds are not</td>
<td></td>
</tr>
<tr>
<td></td>
<td>available.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver / write off of debts / loans /</td>
<td>There are no such cases.</td>
</tr>
<tr>
<td></td>
<td>interest etc. If yes, the reasons thereof and the amount involved.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third</td>
<td>There is no inventory in the company and no assets received from Government or</td>
</tr>
<tr>
<td></td>
<td>parties &amp; assets received as gift, grant(s) from the Govt. or other</td>
<td>other authorities, hence not applicable.</td>
</tr>
<tr>
<td></td>
<td>authorities.</td>
<td></td>
</tr>
</tbody>
</table>

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.

For Rajeev Amitabha & Co.
Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain
(Partner)
M.No.: 086129

Place: New Delhi
Date: 10th August, 2017
As referred to in our Independent Auditors’ Report to the members of the POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (FORMERLY MEDINIPUR-JEERAT TRANSMISSION LIMITED) (“the Company”), on the financial statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of the company as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial control based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on “the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

For Rajeev Amitabh & Co.
Chartered Accountants
Firm Reg. No.: 009942N

CA Rajeev Jain
(Partner)
M.No.: 086129

Place: New Delhi
Date: 10th August, 2017
Notice is hereby given that the 6th Annual General Meeting of POWERGRID VIZAG Transmission Limited will be held on 21st September, 2017 at 9:30 a.m. at the Registered Office of the Company, i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Shri S. Vaithilingam (DIN:07107854), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D. K. Valecha (DIN:06847789), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

5. To appoint Ms. Susheela Devi (DIN:07828528) as a Director liable to retire by rotation.

   To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

   "Resolved that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and Rules made there under, Ms. Susheela Devi (DIN:07828528) who was appointed as an Additional Director of the Company as per the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation."


   To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

   "Resolved that pursuant to provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 the remuneration of M/s B.V. S. Co., Cost Accountants, Hyderabad as Cost Auditors of the Company as approved by the Board for the Financial Year 2017-18 at ₹ 30,000 (Rupees Thirty Thousand) plus Taxes as applicable to be paid extra be and is hereby ratified."

By order of the Board
For POWERGRID Vizag Transmission Limited

sd/-
Arup Samanta
(Company Secretary)

Dated: 18th September, 2017

**Regd. Office:**
POWERGRID Vizag Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016.

**NOTES:**

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting. Blank copy of the Form is enclosed.
2) Pursuant to Section 139 (5) of the Companies Act, 2013 ('Act') the Auditors of the Government Company are appointed or re-appointed by the Comptroller & Auditor General of India and in terms of section 142 of the Act, the remuneration has to be fixed by the company in General Meeting or in such manner as the Company may in General Meeting determine. The Members of the Company in 5th Annual General Meeting held on 15th September, 2016 had authorized the Board of Directors to fix remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹ 50,000/- (Rupees Fifty Thousand) plus applicable Goods & Service Tax, Tax Audit Fee of ₹ 25,000 plus applicable Goods & Service Tax and local travel expenses and other incidental out of pocket expenses to be reimbursed as per TA Rules.

Further, the members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the financial year 2017-18, after taking into consideration the volume of work and prevailing inflation.

3) All Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m.
EXPLANATORY STATEMENT

Item No.5
Appointment of Ms. Susheela Devi (DIN:07828528) as a Director liable to retire by rotation.

Ms. Susheela Devi, was appointed as an Additional Director on the Board of Vizag Transmission Limited, w.e.f. 02.06.2017 pursuant to the provisions of Section 161 of the Companies Act, 1956. Ms. Susheela Devi holds office upto this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Ms. Susheela Devi for the office of Director.

Ms. Susheela Devi, aged 56 years is a post graduate in Chemistry from Osmania university with MBA (Fin.). She is General Manager (Finance) of Power Grid Corporation of India Limited and has more than 30 years of experience in various Finance & Accounts functions viz. Works bills, Budgeting, Pay Roll, Concurrence, MIS, Coordination with Auditors, etc. at Regional Headquarters. Prior to this she was working with power major NTPC.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Ms. Susheela Devi are interested or concerned in the resolution financially except to the extent that he or she is a Director and/or shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 5 as an Ordinary Resolution.

Item No.6
Ratification of remuneration of the Cost Auditors for Financial Year 2017-18.

Your Company is under commercial operation from 01.02.2017. As per Section 148(3) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules, 2014, the appointment of Cost Auditor shall be made by Board of Directors on such remuneration as may be determined by the Members.

Accordingly, it was recommended by the Audit Committee and approved by the Board to appoint M/s B. V. S. Co., Cost Accountants, Hyderabad as Cost Auditors for FY 2017-18 at a fee of ₹ 30,000 plus applicable taxes.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the resolution financially except to the extent that he or she is a Director and/or shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

By order of the Board
For POWERGRID Vizag Transmission Limited

sd/-
Arup Samanta
(Company Secretary)

Dated: 18th September, 2017

Regd. Office:
POWERGRID Vizag Transmission Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016.
Directors’ Report 2016-17

To,

Dear Shareholders,

POWERGRID Vizag Transmission Limited (PVTL) was acquired by POWERGRID on August 30, 2013 under Tariff Based competitive bidding for establishing Transmission system for ‘System strengthening in Southern region for import of power from Eastern Region’ from REC Transmission Projects Company Limited (the BID Process co-ordinator). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising Srikakulam-Vemagiri 765kV D/c Line & Khammam-Nagarjunasagar 400kV D/c Line is to traverse the state of Andhra Pradesh and Telengana. As on 31.03.2017, PVTL has Authorised share capital of ₹220 Crore and paid-up share capital of ₹ 209.73 Crore. The Khammam-Nagarjunasagar 400kV D/c Line has been commissioned on 31.12.2015 and Srikakulam-Vemagiri 765kV D/c Line has been commissioned on 01.02.2017.

Financial Results

<table>
<thead>
<tr>
<th>Description</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>67.58</td>
<td>7.81</td>
</tr>
<tr>
<td>Other income</td>
<td>0.38</td>
<td>0.08</td>
</tr>
<tr>
<td>Total Income</td>
<td>67.97</td>
<td>7.89</td>
</tr>
<tr>
<td>Expenses</td>
<td>98.51</td>
<td>2.60</td>
</tr>
<tr>
<td>Profit before Exceptional and Extraordinary items and Tax</td>
<td>(30.54)</td>
<td>5.29</td>
</tr>
<tr>
<td>Profit/(Loss)</td>
<td>(21.94)</td>
<td>2.95</td>
</tr>
</tbody>
</table>

Earnings per Equity Share
- Basic
- Diluted

Share Capital

As on 31.03.2017 the Authorized Share Capital of the Company is ₹220,00,00,000 divided into 22,00,00,000 equity shares of ₹10 each.

The issued and paid-up Share Capital of the Company is ₹209,73,00,000 divided into 20,97,30,000 equity shares of ₹10 each.

Dividend and Transfer to Reserves

Your Company has not declared any dividend during FY 2016-17.

Particulars of Loans, Guarantees or Investments

Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as Annexure- I to the Directors’ Report.

Fixed Deposit

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

Your Company do not have any subsidiaries, joint ventures and associate companies.

Director’s Responsibility Statement

As required u/s 134(3)(c) & 134(5) of the Companies Act, your Directors confirm that:

i) In the preparation of the Annual Accounts for the financial year 2016-17, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

Subsidiaries’ Accounts
iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The Directors had prepared the Annual Accounts for the financial year 2016-17 on a going concern basis.

v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go**

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption Foreign Exchange Earnings under section 134(3) of the Companies Act, 2013 are not applicable.

**Extract of Annual Return**

The extract of Annual Return in Form MGT–9 is enclosed at Annexure –II to this Report.

**Board of Directors and Key Managerial Personnel**

As on 31st March, 2017, your Company’s Board comprised of five Non-Executive Directors namely Shri R.P. Sasmal, Shri Ravi P. Singh, Shri V. Sekhar, Shri S. Vaithilingam and Shri D.K. Valecha.

In accordance with provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Shri S. Vaithilingam and Shri D. K. Valecha shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

**Number of Board meetings held during the year**


<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Designation</th>
<th>Board Meeting attendance during 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri R.P. Sasmal</td>
<td>Chairman</td>
<td>13</td>
</tr>
<tr>
<td>Shri Ravi P. Singh</td>
<td>Director</td>
<td>10</td>
</tr>
<tr>
<td>Shri V. Sekhar</td>
<td>Director</td>
<td>02</td>
</tr>
<tr>
<td>Shri D. K. Valecha</td>
<td>Director</td>
<td>11</td>
</tr>
<tr>
<td>Shri S. Vaithilingam</td>
<td>Director</td>
<td>13</td>
</tr>
</tbody>
</table>

Shri S. Ravi is Chief Executive Officer (CEO), Shri D. Kumaraswamy is Chief Finance Officer (CFO) and Shri Arup Samanta is Company Secretary of the Company.

**Committees of the Board of Directors**

The Board has constituted the following Committees:

i) Audit Committee

ii) Committee of Directors for Bonds

iii) Corporate Social Responsibility Committee

iv) Nomination & Remuneration Committee

**(i) Audit Committee:**

Pursuant to provisions of Section 177 read with Rule 6 of the Companies Rules, 2014 and all other applicable provisions if any of the Companies Act, 2013 an Audit Committee of the Board of Directors has been constituted on 10th May, 2015. The role, powers, scope of functions of the Audit Committee is as per Section 177 of the Companies Act, 2013 and any other applicable provisions of law, as amended from time to time. The Audit Committee comprises of the following members:

i) Shri S. Vaithilingam Chairman

ii) Shri V. Sekhar Member

iii) Shri D. K. Valecha Member
Number of meetings held:
During FY 2016-17 four Audit Committee meetings were held.

(ii) **Committee of Directors for Bonds:**

The Board of Directors has constituted a Committee of Directors for raising of funds from time to time through issue of Bonds. The Committee of Directors for Bonds presently comprises of the following members:

i) Shri R.P. Sasmal Chairman
ii) Shri S. Vaithilingam Member
iii) Shri D. K. Valecha Member

Number of meetings held: Nil

(iii) **Corporate Social Responsibility Committee:**

In compliance with Section 135 of the Companies Act, 2013 read with relevant rules of the Companies (Corporate Social Responsibility Policy) Rules, 2014, a “Corporate Social Responsibility Committee” has been constituted. The CSR Committee comprises following Members:

i) Shri R.P. Sasmal, Chairman of the Committee
ii) Shri Ravi P. Singh, Member
iii) Shri S. Vaithilingam, Member

Number of meeting held:
During FY 2016-17 one meeting of CSR Committee was held.

(iv) **Nomination & Remuneration Committee:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 a Nomination & Remuneration Committee of the Board of Directors has been constituted. The role & functions of the Nomination & Remuneration Committee is as per Section 178 of the Companies Act, 2013 and any other applicable provisions of law, as amended from time to time. The Nomination & Remuneration Committee comprises the following members:

i) Shri Ravi P. Singh Chairman
ii) Shri R.P. Sasmal Member
iii) Shri S. Vaithilingam Member

Number of meeting held during FY 2016-17: Nil

**Secretarial Auditor**

M/s Naveen Chhabra & Associates, Practising Company Secretaries has conducted Secretarial Audit of the Company for the financial year ended 31st March, 2017. The Secretarial Auditor is attached as Annexure–III to this Report. Observations of Secretarial Auditor and explanation by the Board thereon. The Secretarial Auditor in his report has observed as under:

<table>
<thead>
<tr>
<th>Observations</th>
<th>Explanation by Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company has not complied with the provision of Section 149 of Companies</td>
<td>PVTL, being 100% subsidiary of POWERGRID is a Government Company in terms of Section</td>
</tr>
<tr>
<td>Act, 2013 in respect to the appointment of requisite number of independent</td>
<td>2(45) of the Companies Act, 2013, hence the power to appoint independent directors</td>
</tr>
<tr>
<td>directors on the Board. Further, a separate meeting of Independent Directors</td>
<td>vests with Government of India. The matter was taken up with Administrative Ministry</td>
</tr>
<tr>
<td>of the Company as required under Schedule IV of the Companies Act, 2013 was</td>
<td>for filling two vacancies of Independent Directors on the Board of the Company.</td>
</tr>
<tr>
<td>not held during the year under review.</td>
<td>Hence, the Company has not been able to comply with the provisions of Section 149,</td>
</tr>
<tr>
<td></td>
<td>177 &amp; 178 of the Companies Act, 2013 as observed by Secretarial Auditor.</td>
</tr>
<tr>
<td>The Company has not complied with provisions of Section 177 of the Companies</td>
<td></td>
</tr>
<tr>
<td>Act, 2013 with respect to constitution of Audit Committee.</td>
<td></td>
</tr>
<tr>
<td>The Company has not complied with provisions of Section 178 of the Companies</td>
<td></td>
</tr>
<tr>
<td>Act, 2013 with respect to constitution of Nomination and Remuneration</td>
<td></td>
</tr>
<tr>
<td>Committee.</td>
<td></td>
</tr>
</tbody>
</table>

**Particulars of Employees**

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII are exempt for Government Companies. As your Company is a Government Company, the information has not been included as a part of this Report.
Statutory Auditors of the Company

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s Ramu & Ravi, Chartered Accountants were appointed for the Financial Year 2016-17.

Comptroller and Auditors General’s Comments

Comptroller and Auditor General vide letter dated 7th September, 2017 has given NIL comments report on supplementary audit of the financial statements of the Company for the year ended 31st March, 2017. Copy of letter dated 7th September, 2017 of NIL comments received from C&AG is placed at Annexure-IV to this report.

Acknowledgement

The Board of Directors with deep sense of appreciation acknowledges the guidance and cooperation received from POWERGRID, Comptroller and Auditor General of India, Auditors of the Company.

For and on behalf of the Board of Directors

POWERGRID Vizag Transmission Limited

Place: Gurgaon
Date: 18-09-2017

sd/-

(R. P. Sasmal)
Chairman
DIN: 02319702
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

<table>
<thead>
<tr>
<th>S I . No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>-</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>-</td>
</tr>
<tr>
<td>e</td>
<td>Justification for entering into such contracts or arrangements or transactions</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>g</td>
<td>Amount paid as advances, if any</td>
<td>-</td>
</tr>
<tr>
<td>h</td>
<td>Date on which the special resolution was passed in General meeting as required under first proviso to section 188</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Details of contracts or arrangements or transactions at Arm’s length basis.

<table>
<thead>
<tr>
<th>S I . No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Name(s) of the related party &amp; nature of relationship</td>
<td>POWERGRID CORPORATION OF INDIA LIMITED-HOLDING COMPANY</td>
</tr>
<tr>
<td>b</td>
<td>Nature of contracts/arrangements/transaction</td>
<td>1) Inter Corporate Loans 2) Material Given on Replenishment Basis 3) Expenses</td>
</tr>
<tr>
<td>c</td>
<td>Duration of the contracts/arrangements/transaction</td>
<td>Till FY 2017-2018</td>
</tr>
<tr>
<td>d</td>
<td>Salient terms of the contracts or arrangements or transaction including the value, if any</td>
<td>As mutually agreed</td>
</tr>
<tr>
<td>e</td>
<td>Date of approval by the Board</td>
<td>-</td>
</tr>
<tr>
<td>f</td>
<td>Amount paid as advances, if any</td>
<td>NIL</td>
</tr>
</tbody>
</table>

For and on behalf of the Board of Directors

POWERGRID Vizag Transmission Limited

sd/

(R.P. Sasmal)
Chairman
DIN: 02319702

Place : Gurgaon
Date : 18-09-2017
Secretarial Audit Report

For The Financial Year Ended March 31, 2017

To,

The Members,

Powergrid Vizag Transmission Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Powergrid Vizag Transmission Limited (Formerly known as Vizag Transmission Limited) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under; Not Applicable
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; Not Applicable
(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable.
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company:-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Not Applicable
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
   e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
   f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry is :

   I have also examined compliance with the applicable clauses of the following:
   i. Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01.07.2015.
   ii. The Listing uniform Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited:
      Not Applicable

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observation:

1. The Company has not complied with the provision of Section 149 of Companies Act, 2013 in respect to the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.

2. The Company has not complied with provisions of Section 177 of the Companies Act, 2013 with respect to constitution of Audit Committee.

3. The Company has not complied with provisions of Section 178 of the Companies Act, 2013 with respect to constitution of Nomination and Remuneration Committee.
I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to above mentioned observations. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda generally were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board Meeting and Committee Meeting are carried through, while the dissenting member’s views, if any, are captured and recorded as part the minutes.

I further report that there are based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Naveen Chhabra & Associates
Company Secretaries

sd/-
Naveen Kumar Chhabra
Membership No. F8521
C.P No. 9555

Place: Ghaziabad
Date: 21-08-2017

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

Secretarial Audit Report

To,

The Members,
Powergrid Vizag Transmission Limited
B-9, Qutab Institutional Area,
Katwarasarai,
New Delhi-110016

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of our company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretariat record. The verification done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practice, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Naveen Chhabra & Associates
Company Secretaries

sd/-
Naveen Kumar Chhabra
Membership No. F8521
C.P No. 9555

Place: Ghaziabad
Date: 21-08-2017
### I. REGISTRATION AND OTHER DETAILS:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>NIC Code</th>
<th>% to total turnover of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transmission</td>
<td>35107</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name And Address Of The Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED**</td>
<td>L40101DL1989GOI038121</td>
<td>HOLDING COMPANY</td>
<td>100%</td>
<td>2(46)</td>
</tr>
</tbody>
</table>

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>A. Promoter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Indian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>-</td>
<td>6*</td>
<td>6</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d) Bodies Corp$</td>
<td>0</td>
<td>54729994</td>
<td>54729994</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>f) Any Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sub-total (A)(1):-</td>
<td>0</td>
<td>54730000</td>
<td>54730000</td>
</tr>
<tr>
<td>2) Foreign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) NRIs-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>h) Other-Individuals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>i) Bodies Corp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
## Subsidiaries’ Accounts

### Category of Shareholders

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the beginning of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>j) Banks / FI</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>k) Any Other...</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total (A)(2):</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### B. Public Shareholding

#### 1. Institutions

- a) Mutual Funds
- b) Banks / FI
- c) Central Govt
- d) State Govt(s)
- e) Venture Capital Funds
- f) Insurance Companies
- g) FIIs
- h) Foreign Venture Capital Funds
- i) Others (specify)

**Sub-total (B)(1)**

#### 2. Non-Institutions

- a) Bodies Corp.
  - (i) Indian
  - (ii) Overseas
- b) Individuals
  - (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh
  - (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh
- c) Others (Specify)

**Sub-total (B)(2)**

**Total Public Shareholding (B)=(B)(1)+ (B)(2)**

### C. Shares held by Custodian for GDRs & ADRs

<table>
<thead>
<tr>
<th>Grand Total (A+B+C)</th>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54730000</td>
</tr>
</tbody>
</table>

*Held by POWERGRID’s nominees (Individuals) jointly with POWERGRID.*
### ii. Shareholding of Promoters

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder's Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
<th>% change in shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Shares</td>
<td>% of total Shares of the company</td>
<td>No. of Shares</td>
</tr>
<tr>
<td>1.</td>
<td>POWER GRID CORPORATION OF INDIA LIMITED (POWERGRID)</td>
<td>54729994</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Shri I.S. Jha, jointly with POWERGRID</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Ranjan Srivastava jointly with POWERGRID</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Ravi P. Singh jointly with POWERGRID</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Shri R.P. Sasmal jointly with POWERGRID</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Shri Upendra Pande jointly with POWERGRID</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Shri S. Vaithilingam jointly with POWERGRID</td>
<td>01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>54730000</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

### iii. Change in Promoters' Shareholding (please specify, if there is no change)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>54729994</td>
<td>100</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>54729994</td>
<td>100</td>
</tr>
</tbody>
</table>

### iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>For each of Top ten shareholders</td>
<td>At the beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At the End of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
v. Shareholding of Directors and Key Managerial Personnel:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% of total shares of the company</td>
</tr>
<tr>
<td>For each of Directors and KMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For each of Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Shri R. P. Sasmal jointly with POWERGRID</td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>01</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>01</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Shri Ravi P. Singh, jointly with POWERGRID</td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>01</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>01</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Shri S. Vaithilingam, jointly with POWERGRID</td>
<td></td>
</tr>
<tr>
<td>At the beginning of the year</td>
<td>01</td>
<td>-</td>
</tr>
<tr>
<td>Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the End of the year</td>
<td>01</td>
<td>-</td>
</tr>
</tbody>
</table>

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

<table>
<thead>
<tr>
<th></th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Addition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Total (A)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Remuneration to other directors:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fee for attending board committee meetings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (B)=(1+2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall Ceiling as per the Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD: (Not Applicable)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>1.</td>
<td>Gross salary</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Stock Option</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Sweat Equity</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>Commission</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>- others, specify...</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Others, please specify</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Brief description</th>
<th>Details of Penalty/ Punishment/ Compounding fees imposed</th>
<th>Authority [RD/NCLT/Court]</th>
<th>Appeal made, If any (give details)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>B. Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>C. Other Officers In Default</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Punishment</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Compounding</td>
<td>NIL</td>
<td>NIL</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

For and on behalf of
POWERGRID Vizag Transmission Limited

sd/-
(R.P. Sasmal)
Chairman
DIN: 02319702

Place : Gurgaon
Date : 18-09-2017
No.:DGCA/A/c/Desk/2016-17/Vizag PGTL/1.3/197

To

The Chairman,

Powergrid Vizag Transmission Limited,

Hyderabad

Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Vizag Transmission Limited for the year ended on 31 March 2017

Sir,

I forward herewith the "Nil Comments' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Vizag Transmission for the year ended on 31 March 2017.

2. The date of placing the comments along with Annual Accounts and Auditor’s Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.

3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor’s Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.

4. Ten copies of the Annual Report for the year 2016-17 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Yours faithfully,

(L. Tochhawng)
Director General

End:- As above
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID VIZAG TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Powergrid Vizag Transmission Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04 July 2017.

I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Powergrid Vizag Transmission Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor’s report.

For and on behalf of the
Comptroller & Auditor General of India

(L. Tochhawng)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Dated: 07 September 2017
# Balance Sheet as at 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant and Equipment</td>
<td>4</td>
<td>12,711,149,448</td>
<td>1,497,022,800</td>
<td>386,895</td>
</tr>
<tr>
<td>(b) Capital Work-in-Progress</td>
<td>5</td>
<td>116,745,911</td>
<td>9,533,881,002</td>
<td>2,764,099,658</td>
</tr>
<tr>
<td>(c) Other Non-Current Assets</td>
<td>6</td>
<td>61,932,745</td>
<td>137,827,263</td>
<td>390,921,907</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Trade receivables</td>
<td>7</td>
<td>218,250,302</td>
<td>15,022,363</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Cash and cash equivalents</td>
<td>8</td>
<td>11,581,362</td>
<td>11,633,037</td>
<td>17,177,691</td>
</tr>
<tr>
<td>(iii) Other current financial assets</td>
<td>9</td>
<td>27,047,005</td>
<td>51,718,061</td>
<td>206,538</td>
</tr>
<tr>
<td>(b) Other current assets</td>
<td>10</td>
<td>-</td>
<td>226,182</td>
<td>66,182</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>12,889,828,104</td>
<td>11,168,731,065</td>
<td>3,155,408,460</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity Share capital</td>
<td>11</td>
<td>2,097,300,000</td>
<td>547,300,000</td>
<td>547,300,000</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>12</td>
<td>(189,857,116)</td>
<td>29,563,065</td>
<td>(28,543)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>1,907,442,884</td>
<td>576,863,065</td>
<td>547,271,457</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>13</td>
<td>10,103,304,595</td>
<td>8,223,604,595</td>
<td>1,383,600,000</td>
</tr>
<tr>
<td>(b) Deferred tax liabilities(Net)</td>
<td>14</td>
<td>(73,494,749)</td>
<td>12,513,525</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td>10,029,809,846</td>
<td>8,236,118,120</td>
<td>1,383,600,000</td>
</tr>
<tr>
<td>(a) Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current financial liability</td>
<td>15</td>
<td>1,155,885,603</td>
<td>2,412,785,326</td>
<td>1,216,457,092</td>
</tr>
<tr>
<td>(b) Other current liabilities</td>
<td>16</td>
<td>53,568,440</td>
<td>21,564,197</td>
<td>25,530,322</td>
</tr>
<tr>
<td>(c) Current Tax Liabilities (Net)</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td>13,146,706,773</td>
<td>11,247,330,708</td>
<td>3,172,858,871</td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 43) form an integral part of financial statements.

As per our report of even date

For Ramu & Ravi
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal) (S. Vaithilingam)
Chairman Director
DIN : 02319702 DIN : 07107854

D Kumaraswamy Arup Kumar Samanta
CFO Company secretary

Subsidiaries’ Accounts
Statement of Profit and Loss for the year ended 31st March, 2017

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note No.</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Revenue From Operations</td>
<td>18</td>
<td>675,877,943</td>
<td>78,094,240</td>
</tr>
<tr>
<td>II Other Income</td>
<td>19</td>
<td>3,838,642</td>
<td>851,402</td>
</tr>
<tr>
<td>III Total Income (I+II)</td>
<td></td>
<td>679,716,585</td>
<td>78,945,642</td>
</tr>
<tr>
<td>IV EXPENSES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>20</td>
<td>-</td>
<td>196,472</td>
</tr>
<tr>
<td>Finance costs</td>
<td>21</td>
<td>507,701,763</td>
<td>5,271,894</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>22</td>
<td>387,409,400</td>
<td>20,272,398</td>
</tr>
<tr>
<td>Other expenses</td>
<td>23</td>
<td>90,033,877</td>
<td>287,690</td>
</tr>
<tr>
<td>Total expenses (IV)</td>
<td></td>
<td>985,145,040</td>
<td>26,028,454</td>
</tr>
<tr>
<td>V Profit/(loss) before exceptional items and tax (I- IV)</td>
<td></td>
<td>(305,428,455)</td>
<td>52,917,188</td>
</tr>
<tr>
<td>VI Exceptional Items</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>VII Profit/(loss) before tax (V-VI)</td>
<td></td>
<td>(305,428,455)</td>
<td>52,917,188</td>
</tr>
<tr>
<td>VIII Tax expense:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Current tax</td>
<td></td>
<td>-</td>
<td>10,812,055</td>
</tr>
<tr>
<td>(2) Deferred tax</td>
<td></td>
<td>(86,008,274)</td>
<td>12,513,525</td>
</tr>
<tr>
<td>IX Profit (Loss) for the period (VII-VIII)</td>
<td></td>
<td>(219,420,181)</td>
<td>29,591,608</td>
</tr>
<tr>
<td>X Other Comprehensive Income</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>XI Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</td>
<td></td>
<td>(219,420,181)</td>
<td>29,591,608</td>
</tr>
<tr>
<td>XII Earnings per equity share:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Basic</td>
<td></td>
<td>(1.63)</td>
<td>0.54</td>
</tr>
<tr>
<td>(2) Diluted</td>
<td></td>
<td>(1.63)</td>
<td>0.54</td>
</tr>
</tbody>
</table>

The accompanying notes (1 to 43) form an integral part of financial statements

As per our report of even date

For Ramu & Ravi
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021
Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors
(R.P. Sasmal)
Chairman
DIN : 02319702
D Kumaraswamy
CFO

(S. Vaithilingam)
Director
DIN : 07107854
Arup Kumar Samanta
Company secretary

Subsidiaries’ Accounts
**Cash Flow Statement** for the year ended 31st March, 2017

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Cash Flow from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit/Loss as per Statement of Profit &amp; Loss</td>
<td>(219,420,181)</td>
<td>29,591,608</td>
</tr>
<tr>
<td>Add: Deferred Tax</td>
<td>(86,008,274)</td>
<td>12,513,525</td>
</tr>
<tr>
<td>Operating Profit/Loss before Working Capital Changes</td>
<td>(305,428,455)</td>
<td>42,105,133</td>
</tr>
<tr>
<td><strong>Adjustments for Increase/Decrease in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Payables</td>
<td>-</td>
<td>(14,267,502)</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>(1,224,895,481)</td>
<td>1,112,329,917</td>
</tr>
<tr>
<td>Short Term Provisions</td>
<td>-</td>
<td>10,812,055</td>
</tr>
<tr>
<td>Other current Assets</td>
<td>(178,330,701)</td>
<td>(66,693,886)</td>
</tr>
<tr>
<td><strong>Cash Generated from Operation (A)</strong></td>
<td>(1,708,654,637)</td>
<td>1,084,285,717</td>
</tr>
<tr>
<td><strong>B. Cash Flow from Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment and Capital Work In Progress</td>
<td>(1,796,991,556)</td>
<td>(8,172,117,555)</td>
</tr>
<tr>
<td>Advances for Capital Expenditure</td>
<td>75,894,518</td>
<td>242,282,589</td>
</tr>
<tr>
<td><strong>Net Cash generated from Investing Activity (B)</strong></td>
<td>(1,721,097,038)</td>
<td>(7,929,834,966)</td>
</tr>
<tr>
<td><strong>C. Cash Flow from Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td>1,550,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Loans obtained during the year</td>
<td>1,879,700,000</td>
<td>6,840,004,595</td>
</tr>
<tr>
<td><strong>Net Cash generated from Financing Activity (C)</strong></td>
<td>3,429,700,000</td>
<td>6,840,004,595</td>
</tr>
<tr>
<td><strong>D. Net change in Cash and Cash Equivalents (A+B+C)</strong></td>
<td>(51,675)</td>
<td>(5,544,654)</td>
</tr>
<tr>
<td><strong>E. Cash and Cash Equivalents (Opening Balance)</strong></td>
<td>11,633,037</td>
<td>17,177,691</td>
</tr>
<tr>
<td><strong>E. Cash and Cash Equivalents (Closing Balance)</strong></td>
<td>11,581,362</td>
<td>11,633,037</td>
</tr>
</tbody>
</table>

The accompanying Notes (1 to 38) form an Integral Part of Financial Statements

As per our report of even date

For **Ramu & Ravi**
ICAI FRN : 006610S
Chartered Accountants

**K V R Murthy**
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

<table>
<thead>
<tr>
<th>Chairman</th>
<th>Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.P. Sasmal</td>
<td>S. Vaithilingam</td>
</tr>
<tr>
<td>DIN : 02319702</td>
<td>DIN : 07107854</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CFO</th>
<th>Company secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Kumaraswamy</td>
<td>Arup Kumar Samanta</td>
</tr>
</tbody>
</table>

Subsidiaries’ Accounts
Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1st April, 2015</td>
<td>547,300,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td></td>
</tr>
<tr>
<td>As at 31st March, 2016</td>
<td>547,300,000</td>
</tr>
<tr>
<td>Changes in equity share capital</td>
<td>1,550,000,000</td>
</tr>
<tr>
<td>As at 31st March, 2017</td>
<td>2,097,300,000</td>
</tr>
</tbody>
</table>

B. Other Equity

<table>
<thead>
<tr>
<th>Reserves and Surplus</th>
<th>Bond Redemption Reserve</th>
<th>Self Insurance Reserve</th>
<th>CSR Reserve</th>
<th>General Reserve</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st April, 2015</td>
<td>-</td>
<td>(28,543)</td>
<td>(28,543)</td>
<td>29,591,608</td>
<td>29,591,608</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>29,591,608</td>
<td>-</td>
<td>(8,934,824)</td>
<td>-</td>
<td>(219,420,181)</td>
<td></td>
</tr>
<tr>
<td>Transfer to/from retained earnings</td>
<td>7,425,919</td>
<td>1,508,905</td>
<td>-</td>
<td>-</td>
<td>(198,791,940)</td>
<td></td>
</tr>
<tr>
<td>Other Changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(189,857,116)</td>
<td></td>
</tr>
<tr>
<td>Balance at 31st March, 2016</td>
<td>7,425,919</td>
<td>1,508,905</td>
<td>-</td>
<td>20,628,241</td>
<td>29,563,065</td>
<td></td>
</tr>
<tr>
<td>Balance at 1st April, 2016</td>
<td>7,425,919</td>
<td>1,508,905</td>
<td>-</td>
<td>20,628,241</td>
<td>29,563,065</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td>-</td>
<td>(219,420,181)</td>
<td>(219,420,181)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Refer Note 12 for movement and nature of Reserve and Surplus

As per our report of even date

For Ramu & Ravi
ICAI FRN: 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal) (S. Vaithilingam)
Chairman Director
DIN: 02319702 DIN: 07107854

D Kumaraswamy Arup Kumar Samanta
CFO Company secretary
Notes to Financial Statements

1. Corporate & General Information

Powergrid Vizag Transmission Limited ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act and is wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katvaria Sarai, New Delhi -110 016. The company is engaged in the business of Power Transmission Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The Financial Statements of the Company for the year ended 31st March 2017 were approved for issue by the Board of Directors on 4th July 2017.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter.

The financial statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value.

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note-3 on critical accounting estimates, assumptions and judgments).

2.2 Property, Plant and Equipment

Measurement on transition to INDAS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101, 'First Time adoption of Indian Accounting standard'.

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property Plant and equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.
If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after successful completion of trial operation as prescribed under CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹ 5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

**De-recognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

### 2.3 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Offices and Projects, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

### 2.4 Intangible Assets and Intangible Assets under development

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible Assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software(which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as “Intangible Assets under Development” till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 2.5 Depreciation / Amortisation

Depreciation / Amortisation on assets is provided on straight line method following the rates and methodology notified by CERC for the purpose of recovery of tariff, except for assets specified below.
Depreciation on following assets is provided based on estimated useful life as per technical assessment.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Computers &amp; Peripherals</td>
<td>3 years</td>
</tr>
<tr>
<td>b. Servers &amp; Network Components</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Residual value of above assets is considered as Nil.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with nil residual value.

Mobile phones are charged off in the year of purchase.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets.

The residual values, useful lives and methods of depreciation for are reviewed at each financial year end and adjusted prospectively, wherever required.

Fixed Assets costing ₹ 5000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets till the assets are ready for the intended use.

Other borrowing costs are charged to revenue.

2.7 Impairment of non-financial assets, other than inventories

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.
2.10 Leases

i) As A Lessor

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

b) Operating lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

i) As a Lessee

Operating leases

Payments made under operating leases are recognized as an expense over the lease term.

2.11 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, loans to employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories at amortised cost,

The classification depends on the following:

- the entity’s business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement.
De-recognition of financial assets

A financial asset is derecognized only when
- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of Profit or Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (‘the functional currency’). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

The company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest cost are treated as borrowing cost. Other exchange difference are recognised in the statement of profit and loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.
Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company’s financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.14 Revenue Recognition and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and value added taxes.

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act, 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement entered between the Transmission Service Provider and the Long Term Transmission Customers.

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

2.15 Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.
Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in regulatory deferral account balances.

2.20 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in the the Ind-As 7 'Statement of Cash Flow'.

3. Critical Estimates:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.
### Note 4/Property, Plant and Equipment

#### (Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Cost</th>
<th>Accumulated depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 1st April, 2016</td>
<td>As at 31st March, 2017</td>
<td>As at 1st April, 2016</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>Additions during the year</td>
<td>Disposal during the year</td>
<td>Adjustment during the year</td>
</tr>
<tr>
<td>Transmission</td>
<td>1,516,857,677</td>
<td>11,601,224,749</td>
<td>13,118,082,426</td>
</tr>
<tr>
<td>Furniture Fixtures</td>
<td>56,300</td>
<td>56,300</td>
<td>56,300</td>
</tr>
<tr>
<td>Electronic Data</td>
<td>363,722</td>
<td>363,722</td>
<td>363,722</td>
</tr>
<tr>
<td>Processing &amp; Word Processing Machines</td>
<td>73,799</td>
<td>73,799</td>
<td>73,799</td>
</tr>
<tr>
<td>Construction and Workshop equipment</td>
<td>-</td>
<td>255,000</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,460</td>
<td>5,460</td>
<td>5,460</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,517,295,198</td>
<td>11,601,536,049</td>
<td>13,118,831,247</td>
</tr>
</tbody>
</table>

#### Additional Disclosure

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Gross Block</th>
<th>Accumulated Depreciation</th>
<th>Net Block</th>
<th>IND AS Adjustment</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; Equipment</td>
<td>23,550</td>
<td>377</td>
<td>23,173</td>
<td>-</td>
<td>23,173</td>
</tr>
<tr>
<td>Electronic Data</td>
<td>417,194</td>
<td>53,472</td>
<td>363,722</td>
<td>-</td>
<td>363,722</td>
</tr>
<tr>
<td>Processing &amp; Word Processing Machines</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total</td>
<td>440,744</td>
<td>53,849</td>
<td>386,895</td>
<td>-</td>
<td>386,895</td>
</tr>
</tbody>
</table>

Note - The Company has opted for deemed cost exemption as per Ind AS 101 'First Time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly carrying value i.e Gross Block less Accumulated depreciation is considered as deemed cost as on the date of transition i.e 1st April 2015.
Note 5/Capital work-in-progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2016</th>
<th>Additions during the year</th>
<th>Adjustments during the year</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>155,986</td>
<td>155,986</td>
<td>-</td>
<td>155,986</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipments (including associated civil works)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>7,310,438,474</td>
<td>3,253,438,030</td>
<td>10,563,876,504</td>
<td>-</td>
<td>7,310,438,474</td>
<td></td>
</tr>
<tr>
<td>Construction Stores (Net of Provision)</td>
<td>1,566,811,252</td>
<td>1,450,065,342</td>
<td>116,745,911</td>
<td>1,566,811,252</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure pending allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure during construction period (Note 24)</td>
<td>656,475,290</td>
<td>380,716,969</td>
<td>1,037,192,259</td>
<td>-</td>
<td>656,475,290</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9,533,881,002</td>
<td>3,634,154,999</td>
<td>1,450,065,342</td>
<td>116,745,911</td>
<td>9,533,881,002</td>
<td></td>
</tr>
</tbody>
</table>

Note 5/Capital work-in-progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 1st April, 2015</th>
<th>Additions during the year</th>
<th>Adjustments during the year</th>
<th>Capitalised during the year</th>
<th>As at 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of land</td>
<td>155,986</td>
<td></td>
<td></td>
<td></td>
<td>155,986</td>
</tr>
<tr>
<td>Plant &amp; Equipments (including associated civil works)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>1,812,135,708</td>
<td>7,006,693,428</td>
<td>1,508,390,662</td>
<td>7,310,438,474</td>
<td></td>
</tr>
<tr>
<td>Construction Stores (Net of Provision)</td>
<td>704,936,119</td>
<td>861,875,133</td>
<td></td>
<td></td>
<td>1,566,811,252</td>
</tr>
<tr>
<td>Expenditure pending allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure during construction period (Note 24)</td>
<td>247,027,831</td>
<td>491,643,763</td>
<td>73,752,462</td>
<td>8,443,842</td>
<td>656,475,290</td>
</tr>
<tr>
<td>Total</td>
<td>2,764,099,658</td>
<td>8,360,368,310</td>
<td>73,752,462</td>
<td>1,516,834,504</td>
<td>9,533,881,002</td>
</tr>
</tbody>
</table>

Note- The Company has opted for deemed cost exemption as per Ind AS 101 ‘First Time Adoption of Indian Accounting Standards’ of Para D7 AA. Accordingly carrying value is considered as deemed cost as on the date of transition i.e 1st April 2015.
Note 5/ Capital work in progress (Details of Construction stores) (At Cost)  
(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>116,745,911</td>
<td>369,948,232</td>
<td>371,039,390</td>
</tr>
<tr>
<td>Conductors</td>
<td>-</td>
<td>827,725,190</td>
<td>141,815,703</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>-</td>
<td>369,137,830</td>
<td>192,081,026</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>116,745,911</td>
<td>1,566,811,252</td>
<td>704,936,119</td>
</tr>
<tr>
<td>Material with Contractors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towers</td>
<td>116,745,911</td>
<td>369,948,232</td>
<td>371,039,390</td>
</tr>
<tr>
<td>Conductors</td>
<td>-</td>
<td>827,725,190</td>
<td>141,815,703</td>
</tr>
<tr>
<td>Other Line Materials</td>
<td>-</td>
<td>369,137,830</td>
<td>192,081,026</td>
</tr>
<tr>
<td>Total</td>
<td>116,745,911</td>
<td>1,566,811,252</td>
<td>704,936,119</td>
</tr>
<tr>
<td>Grand total</td>
<td>116,745,911</td>
<td>1,566,811,252</td>
<td>704,936,119</td>
</tr>
</tbody>
</table>

Note 6 / Other Non-current Assets  
(Unsecured considered good unless otherwise stated)  
(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances for Capital Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Against bank guarantees</td>
<td>-</td>
<td>135,004,832</td>
<td>390,921,907</td>
</tr>
<tr>
<td>Advance tax and Tax deducted at source</td>
<td>72,744,800</td>
<td>13,634,486</td>
<td>-</td>
</tr>
<tr>
<td>Less: Tax Liabilities</td>
<td>10,812,055</td>
<td>10,812,055</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>61,932,745</td>
<td>2,822,431</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>61,932,745</td>
<td>137,827,263</td>
<td>390,921,907</td>
</tr>
</tbody>
</table>

Note 7/ Trade receivables  
(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured Considered good</td>
<td>218,250,302</td>
<td>15,022,363</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>218,250,302</td>
<td>15,022,363</td>
<td>-</td>
</tr>
</tbody>
</table>
### Note 8/Cash and Cash Equivalents

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2017</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance with banks-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In Current accounts</td>
<td>11,581,362</td>
<td>11,633,037</td>
<td>17,167,691</td>
</tr>
<tr>
<td>Others (Imprest)</td>
<td></td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,581,362</td>
<td>11,633,037</td>
<td>17,177,691</td>
</tr>
</tbody>
</table>

### Note
Details of Specified Bank Notes

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Specified Bank Notes</th>
<th>Other Denomination Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Cash in Hand as on 08&lt;sup&gt;th&lt;/sup&gt; November 2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(+) Permitted receipts</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Permitted payments</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(-) Amount deposited in Banks</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Closing Cash in Hand as on 30&lt;sup&gt;th&lt;/sup&gt; December 2016</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

### Note-9/Other Current Financial Assets
(Unsecured considered good unless otherwise stated)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2017</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unbilled Revenue</td>
<td>27,047,005</td>
<td>51,106,616</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>611,445</td>
<td>66,182</td>
<td>206,538</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27,047,005</td>
<td>51,718,061</td>
<td>206,538</td>
</tr>
</tbody>
</table>

### Note-10/Other current Assets
(Unsecured considered good unless otherwise stated)

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2017</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances recoverable in kind or for value to be received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors &amp; Suppliers</td>
<td>-</td>
<td>66,182</td>
<td>66,182</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>160,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>226,182</td>
<td>66,182</td>
</tr>
</tbody>
</table>
Note 11 / Equity Share capital

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Share Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>22000000000</td>
<td>900000000</td>
<td>900000000</td>
</tr>
<tr>
<td>(31st March, 2016 9,00,00,000 equity shares of ₹ 10/- each at par)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1st April, 2015 9,00,00,000 equity shares of ₹ 10/- each at par)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Issued, subscribed and paid up</strong></td>
<td>2,097,300,000</td>
<td>547,300,000</td>
<td>547,300,000</td>
</tr>
<tr>
<td>(31st March, 2016 5,47,30,000 equity shares of ₹ 10 each at par fully paid up)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1st April 2015, 5,47,30,000 equity shares of ₹ 10 each at par fully paid up)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,097,300,000</td>
<td>547,300,000</td>
<td>547,300,000</td>
</tr>
</tbody>
</table>

Further Notes:

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
<th>As at 01-Apr-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.of Shares</td>
<td>Amount in Rupees</td>
<td>No.of Shares</td>
</tr>
<tr>
<td>Shares outstanding at the beginning of the year</td>
<td>54,730,000</td>
<td>547,300,000</td>
<td>54,730,000</td>
</tr>
<tr>
<td>Shares Issued during the year</td>
<td>155,000,000</td>
<td>1,550,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Shares bought back during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares outstanding at the end of the year</td>
<td>209,730,000</td>
<td>2,097,300,000</td>
<td>54,730,000</td>
</tr>
</tbody>
</table>

2) The Company has only one class of equity shares having a per value of ₹10/- per share.

3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

4) Shareholders holding more than 5% equity shares of the Company

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.of Shares</td>
<td>% of holding</td>
<td>No.of Shares</td>
</tr>
<tr>
<td>Power Grid Corporation of India Limited</td>
<td>209,730,000</td>
<td>100</td>
<td>54,730,000</td>
</tr>
</tbody>
</table>

# Out of 1,00,000 (50,000 in 31.03.2016) Equity Shares, 6 Equity Shares are Held by Nominees of M/s Power Grid Corporation of India Ltd on its behalf. Out of 50,000 Equity Shares in 01.04.2015, 6 Equity Shares are Held by Nominees of M/s REC Transmission Projects
### Note 12 / Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2017</th>
<th>As at 31&lt;sup&gt;st&lt;/sup&gt; March, 2016</th>
<th>As at 1&lt;sup&gt;st&lt;/sup&gt; April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserves and Surplus</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Redemption Reserve</td>
<td>7,425,919</td>
<td>7,425,919</td>
<td>-</td>
</tr>
<tr>
<td>Self Insurance Reserve</td>
<td>1,508,905</td>
<td>1,508,905</td>
<td>-</td>
</tr>
<tr>
<td><strong>General Reserve</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(198,791,940)</td>
<td>20,628,241</td>
<td>(28,543)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(189,857,116)</td>
<td>29,563,065</td>
<td>(28,543)</td>
</tr>
<tr>
<td><strong>Bonds Redemption Reserve</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>7,425,919</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Addition during the year</td>
<td></td>
<td></td>
<td>7,425,919</td>
</tr>
<tr>
<td>Deduction during the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>7,425,919</td>
<td>7,425,919</td>
<td>-</td>
</tr>
<tr>
<td>Bond Redemption reserve is created for the purpose of redemption of debentures in terms of the Companies Act 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Self Insurance Reserve</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>1,508,905</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Addition during the year</td>
<td></td>
<td></td>
<td>1,508,905</td>
</tr>
<tr>
<td>Deduction during the year</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>1,508,905</td>
<td>1,508,905</td>
<td>-</td>
</tr>
<tr>
<td>Self insurance reserve is created @0.12% p.a on the Original cost of Property Plant and Equipment not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Reserve</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addition during the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deduction during the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Reserves are retained earnings of the company which are kept aside out of the companies profits.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Retained Earnings</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>20,628,241</td>
<td>(28,543)</td>
<td>(28,543)</td>
</tr>
<tr>
<td><strong>Add: Additions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax as per Statement of Profit &amp; Loss</td>
<td>(219,420,181)</td>
<td>29,591,608</td>
<td></td>
</tr>
<tr>
<td><strong>Less: Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Redemption Reserve</td>
<td>7,425,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Insurance Reserve</td>
<td>1,508,905</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend tax adjusted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Closing Balance</strong></td>
<td>(198,791,940)</td>
<td>20,628,241</td>
<td>(28,543)</td>
</tr>
</tbody>
</table>
Note 13 / Borrowings

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Secured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2900 Nos 8.90% Bonds @ ₹10 Lakh each Redeemable at Par on 05th Mar 2021</td>
<td>2,900,000,000</td>
<td>2,900,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from Holding Company (Power Grid Corporation of India Ltd.,)</td>
<td>7,203,304,595</td>
<td>5,323,604,595</td>
<td>1,383,600,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10,103,304,595</td>
<td>8,223,604,595</td>
<td>1,383,600,000</td>
</tr>
</tbody>
</table>

Further Note -

(i) (a) Bonds numbering 2900 with a face value of ₹ 10.00 Lakhs each aggregating to ₹ 290.00 Crores and said bonds are Secured, guaranteed, rated, unlisted, redeemable, taxable, non-cumulative, non-convertible bonds by way of private placement and said bonds carry an Interest Rate of 8.90% per annum and payable annually.

(b) The Bonds issued by the company are secured by an unconditional, irrecoverable and continuing guarantee from M/s Powergrid Corporation of India Ltd covering the entire amount payable on the Bonds.

(c) The Bonds issued by the company are secured by way of Registered Bond Trust Deed ranking Pari passu on immovable and movable property pertaining to Khammam-Nagarjunasagar 400 KV D/C Line and Srikakulam-Vemagiri 765 KV D/C Transmission Lines and floating charge on the assets of the Company. Lines and floating charge on the assets of the company.

(ii) The Inter Corporate Loan is provided by the Holding Company on cost to cost [Interest rate varying from 8.15% to 9.30%] and back to back servicing basis and the said loan is repayable over a period of 10 to 20 years after a moratorium period of 3 to 5 years.

Note 14/ Deferred tax liabilities (Net)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Liability (A)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation difference in Property Plant and Equipment (Net) (A)</td>
<td>603,865,859</td>
<td>12,513,525</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Tax Assets (B)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Net Loss carry forward</td>
<td>677,360,608</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Tax Liability (Net) (A-B)</td>
<td>(73,494,749)</td>
<td>12,513,525</td>
<td>-</td>
</tr>
</tbody>
</table>

Movement in Deferred Tax Liability

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Depreciation Difference in Property Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS at 1st April 2015</td>
<td>-</td>
</tr>
<tr>
<td>Charged/ (Credited) to Profit or Loss</td>
<td>12,513,525</td>
</tr>
<tr>
<td>AS at 31st March 2016</td>
<td>12,513,525</td>
</tr>
<tr>
<td>Charged/ (Credited) to Profit or Loss</td>
<td>591,352,334</td>
</tr>
<tr>
<td>AS at 31st March 2017</td>
<td>603,865,859</td>
</tr>
</tbody>
</table>
### Note 16 / Other current liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory dues</td>
<td>53,568,440</td>
<td>21,564,197</td>
<td>25,530,322</td>
</tr>
<tr>
<td>Total</td>
<td>53,568,440</td>
<td>21,564,197</td>
<td>25,530,322</td>
</tr>
</tbody>
</table>

### Note 17 / Current Tax Liabilities (Net)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation (Including interest on tax )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per last balance sheet</td>
<td>10,812,055</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>-</td>
<td>10,812,055</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,812,055</strong></td>
<td><strong>10,812,055</strong></td>
<td>-</td>
</tr>
<tr>
<td>Net off against Advance Tax &amp; TDS- Note 6</td>
<td>10,812,055</td>
<td>10,812,055</td>
<td>-</td>
</tr>
</tbody>
</table>

### Movement in Deferred Tax asset

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Depreciation Difference in Property Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS at 1st April 2015</td>
<td></td>
</tr>
<tr>
<td>Charged/ (Credited) to Profit or Loss</td>
<td></td>
</tr>
<tr>
<td>AS at 31st March 2016</td>
<td></td>
</tr>
<tr>
<td>Charged/ (Credited) to Profit or Loss</td>
<td>677,360,608</td>
</tr>
<tr>
<td><strong>AS at 31st March 2017</strong></td>
<td><strong>677,360,608</strong></td>
</tr>
</tbody>
</table>
**Note 18/Revenue from operations**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Charges</td>
<td>675,877,943</td>
<td>78,094,240</td>
</tr>
<tr>
<td>Total</td>
<td>675,877,943</td>
<td>78,094,240</td>
</tr>
</tbody>
</table>

**Note 19/Other income**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Interest income from financial assets at amortised cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest from advances to contractors</td>
<td>6,075,200</td>
<td>55,871,232</td>
</tr>
<tr>
<td>Interest Income from Bank</td>
<td>-</td>
<td>55,871,232</td>
</tr>
<tr>
<td>Others</td>
<td>174,260</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,249,460</td>
<td>55,871,232</td>
</tr>
<tr>
<td><strong>B) Others</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>733,042</td>
<td>22,693,113</td>
</tr>
<tr>
<td><strong>Less: Income transferred to expenditure during construction(Net)-Note 24</strong></td>
<td>3,143,860</td>
<td>77,712,943</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>3,838,642</td>
<td>851,402</td>
</tr>
</tbody>
</table>

**Note 20/Employees benefits expense**

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries wages allowances &amp; benefits</strong></td>
<td>-</td>
<td>15,898,936</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>-</td>
<td>2,052,252</td>
</tr>
<tr>
<td>Staff Welfare expenses(Including Deferred Employee cost)</td>
<td>-</td>
<td>585,449</td>
</tr>
<tr>
<td><strong>Less: Transferred to Expenditure during Construction(Net)-Note 24</strong></td>
<td>-</td>
<td>18,536,637</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-</td>
<td>196,472</td>
</tr>
</tbody>
</table>
**Note 21/Finance costs**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A) Interest and finance charges on financial liabilities at amortised cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from Powergrid</td>
<td>568,155,824</td>
<td>228,272,601</td>
</tr>
<tr>
<td>Redeemable Bonds</td>
<td>258,100,000</td>
<td>208,736,612</td>
</tr>
<tr>
<td><strong>B) Other Finance charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>195,433</td>
<td>517,123</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>826,451,257</td>
<td>437,526,336</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction</td>
<td>318,749,494</td>
<td>432,254,442</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>507,701,763</td>
<td>5,271,894</td>
</tr>
</tbody>
</table>

**Note 22/Depreciation and amortization expense**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>387,409,400</td>
<td>20,272,398</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure During Construction(Net)-Note 24</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>387,409,400</td>
<td>20,272,398</td>
</tr>
</tbody>
</table>

**Note 23/Other expenses**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Repair &amp; Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Machinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission lines</td>
<td>12,068,428</td>
<td>5,400</td>
</tr>
<tr>
<td>Others</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,069,028</td>
<td>5,400</td>
</tr>
<tr>
<td>System and Market Operation Charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power charges</td>
<td>441,305</td>
<td>3,903</td>
</tr>
<tr>
<td>Expenses of Diesel Generating sets</td>
<td>33,870</td>
<td>-</td>
</tr>
<tr>
<td>Water charges</td>
<td>10,579</td>
<td>-</td>
</tr>
<tr>
<td>Training &amp; Recruitment Expenses</td>
<td>40,862</td>
<td>215,600</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>-</td>
<td>550,836</td>
</tr>
<tr>
<td>Professional charges (including TA/DA)</td>
<td>563,864</td>
<td>1,572,029</td>
</tr>
<tr>
<td>Consultancy expenses (including TA/DA)</td>
<td>111,590,202</td>
<td>94,299,692</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>15,250</td>
<td>16,359</td>
</tr>
<tr>
<td>Travelling &amp; Conv.exp.(excluding foreign travel)</td>
<td>3,789,947</td>
<td>4,906,265</td>
</tr>
<tr>
<td><strong>Payments to Statutory Auditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>57,500</td>
<td>51,525</td>
</tr>
<tr>
<td>Tax Audit Fees</td>
<td>28,750</td>
<td>22,900</td>
</tr>
<tr>
<td>In Other Capacity</td>
<td>57,825</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>144,075</td>
</tr>
<tr>
<td>In Other Capacity</td>
<td>-</td>
<td>74,425</td>
</tr>
</tbody>
</table>

(Amount in ₹)
<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement and publicity</td>
<td>-</td>
<td>835,219</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>112,261</td>
<td>176,176</td>
</tr>
<tr>
<td>Books Periodicals and Journals</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>EDP hire and other charges</td>
<td>35,052</td>
<td>24,220</td>
</tr>
<tr>
<td>Rent</td>
<td>16,500</td>
<td>66,000</td>
</tr>
<tr>
<td>CERC petition &amp; Other charges</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>5,462,310</td>
<td>5,706,343</td>
</tr>
<tr>
<td>Hiring of Vehicle</td>
<td>7,104,150</td>
<td>7,877,292</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>34,595</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>12,480,000</td>
<td>2,499,750</td>
</tr>
<tr>
<td>Bandwidth charges dark fibre lease charges (Telecom) etc</td>
<td>6,610</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure on Corporate Social Responsibility (CSR) &amp; Sustainable development</td>
<td>353,000</td>
<td>-</td>
</tr>
<tr>
<td>Other charges</td>
<td>375,581</td>
<td>184,685</td>
</tr>
<tr>
<td>Total</td>
<td>155,145,213</td>
<td>119,049,789</td>
</tr>
<tr>
<td>Less: Transferred to Expenditure during Construction (Net) - Note 24</td>
<td>65,111,335</td>
<td>118,762,099</td>
</tr>
<tr>
<td>Total</td>
<td>90,033,877</td>
<td>287,690</td>
</tr>
</tbody>
</table>

Note 24/ Expenditure during Construction (Net)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Employees Remuneration &amp; Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries wages allowances and benefits</td>
<td>-</td>
<td>15,726,168</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>-</td>
<td>2,029,951</td>
</tr>
<tr>
<td>Welfare expenses</td>
<td>-</td>
<td>584,046</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td></td>
<td>18,340,165</td>
</tr>
<tr>
<td><strong>B. Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>36,320</td>
<td>-</td>
</tr>
<tr>
<td>Power charges</td>
<td>767</td>
<td>3,861</td>
</tr>
<tr>
<td>Expenses on Diesel Generating sets</td>
<td>33,870</td>
<td>-</td>
</tr>
<tr>
<td>Training &amp; Recruitment Expenses</td>
<td>40,862</td>
<td>4,798</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>-</td>
<td>544,851</td>
</tr>
<tr>
<td>Professional charges</td>
<td>196,690</td>
<td>1,526,603</td>
</tr>
<tr>
<td>Consultancy expenses</td>
<td>43,047,523</td>
<td>94,299,692</td>
</tr>
<tr>
<td>Communication expenses</td>
<td>8,175</td>
<td>16,181</td>
</tr>
<tr>
<td>Travelling &amp; Conv.exp. (Including Foreign Travel)</td>
<td>3,156,069</td>
<td>5,249,428</td>
</tr>
<tr>
<td>Advertisement and Publicity</td>
<td>-</td>
<td>826,143</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>19,899</td>
<td>174,262</td>
</tr>
<tr>
<td>Books, Periodicals and Journals</td>
<td>-</td>
<td>989</td>
</tr>
<tr>
<td>EDP hire and other charges</td>
<td>35,052</td>
<td>23,957</td>
</tr>
<tr>
<td>Rent</td>
<td>16,500</td>
<td>65,283</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>6,932,280</td>
<td>5,700,389</td>
</tr>
</tbody>
</table>
POWERGRID VIZAG TRANSMISSION LIMITED

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For the year ended 31st March, 2017</th>
<th>For the year ended 31st March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring of Vehicles</td>
<td>7,067,276</td>
<td>7,791,692</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>34,220</td>
</tr>
<tr>
<td>Rates and taxes</td>
<td>4,513,443</td>
<td>2,499,750</td>
</tr>
<tr>
<td>Bandwidth charges, dark fibre lease charges(Telecom)</td>
<td>6,610</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total(B)</strong></td>
<td><strong>65,111,335</strong></td>
<td><strong>118,762,099</strong></td>
</tr>
<tr>
<td>C. Depreciation/Amortisation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>D. Finance Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Interest and finance charges on financial liabilities at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured/Unsecured Redeemable Bonds, Financial Institution and Corporation</td>
<td>318,740,050</td>
<td>431,738,383</td>
</tr>
<tr>
<td>b) Other finance charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>9,444</td>
<td>516,059</td>
</tr>
<tr>
<td><strong>Total (D)</strong></td>
<td><strong>318,749,494</strong></td>
<td><strong>432,254,442</strong></td>
</tr>
<tr>
<td>E. Less: Other Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest from Indian banks</td>
<td>-</td>
<td>55,871,232</td>
</tr>
<tr>
<td>Contractors</td>
<td>2,343,595</td>
<td>21,841,711</td>
</tr>
<tr>
<td>Others</td>
<td>67,223</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>733,042</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total (E)</strong></td>
<td><strong>3,143,860</strong></td>
<td><strong>77,712,943</strong></td>
</tr>
<tr>
<td>F. Less: Other Comprehensive Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>GRAND TOTAL (A+B+C+D-E)</strong></td>
<td><strong>380,716,969</strong></td>
<td><strong>491,643,763</strong></td>
</tr>
</tbody>
</table>

25. Commissioning of Srikakulam – Vemagiri Transmission Line

The Construction Activity of the Srikakulam – Vemagiri 765 Kv line, one of the units of POWERGRID VIZAG TRANSMISSION LIMITED, a 100% Subsidiary of POWERGRID, is completed as on 29-09-2016 and consequently declared as ready for use from 30-09-2016. However, the trail Operations could not be undertaken and power flow has not taken place as the terminal bays and Sub Stations at both the ends ( Srikakulam and Vemagiri) which are the necessary links for the Power transmitted by the said unit linked to the main grid and the said infrastructure facilities are to be built by parent company POWER GRID are not ready by that time.

The said Terminal Sub Stations and other ancillary facilities at Srikakulam and Vemagiri, which are essential for transmitting Power through the subject transmission line are only ready as on 29-01-2017 and successful trail Operation and Power flow has taken place from 30-01-2017. The Transmission Line and other allied facilities have been technically declared fit for Commercial Operation with effect from 01-02-2017 after Stabilization of the System, PVTL started generating revenue i.e, transmission tariff from the beneficiaries with effect from 01-02-2017.

In view of the said factual position the costs incurred during the period 30-09-2016 and Upto 30-01-2017 for setting up the transmission line has been charged to revenue and considered accordingly in the Financial Statements for the Year.

26. Consultancy charges to Parent Company:

PVTL, a 100% subsidiary of POWERGRID constructs transmission lines with the manpower and establishment support of POWERGRID as per the Accounting Procedures followed, for the services rendered, POWERGRID raises bills on PVTL towards consultancy charges. Accordingly the bills for the said consultancy charges covering the period of three years, from the beginning of the project, that is for the F.Y 2014-15, 2015-16 and 2016-17 are raised by POWERGRID in the current F.Y. 2016-17. As per the accounting policy, the expenditure of Rs.6,61,74,309 pertaining to the previous Financial years has been considered as prior period Items in the Financial statements of the year and adjusted in accordance with applicable IND AS.
27. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

28. Party Balances and Confirmations

Balances of some parties like contractors, suppliers and service providers are subject to confirmation and reconciliation.

29. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Foreign Currency</th>
<th>Amount in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03.2017</td>
<td>31.03.2016</td>
</tr>
<tr>
<td>Trade Payables/deposits and retention money</td>
<td>USD</td>
<td>NIL</td>
</tr>
<tr>
<td>Unexecuted amount of contracts remaining to be executed</td>
<td>USD</td>
<td>NIL</td>
</tr>
</tbody>
</table>

30. Auditors Remuneration

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>FY 2016-17 Amount In ₹</th>
<th>FY 2015-16 Amount In ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Statutory Audit Fees</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>2</td>
<td>Tax Audit</td>
<td>25,000</td>
<td>15,000</td>
</tr>
<tr>
<td>3</td>
<td>Other Matters</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Service Tax</td>
<td>18,750</td>
<td>9,425</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,43,750</td>
<td>74,425</td>
</tr>
</tbody>
</table>

31. Other Disclosures

a. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company and are working on time share basis and deputation. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoiceto the Subsidiary company towards Consultancy charges for manpower as per the agreement Dt. 12-Sep-2013 & amendment thereon Dt. 08-Dec-2014. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

b. Taxation

Current tax is reckoned based on the current year’s income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of ₹ NIL (previous Year ₹ 108,120.55) for the year towards current Tax (Minimum Alternate Tax). In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Liability/ (Asset) amounting to ₹ (860.08,274) (previous Year ₹ 125,13,525) on account of timing difference in relation to depreciation as per books vis-a-vis Tax Laws.

c. Leases

Finance Lease: The Company has no finance leases.

Operating Lease: The Company has no major operating leases except in respect of premises for office which is renewable in nature based on mutually agreed terms.

d. Borrowing cost

The borrowing cost of ₹ 3187,49,494 (Previous year ₹ 4322,54,442) relating to project is carried under interest during construction period for capitalization on completion of the project in terms of the Ind-AS 23.
e. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no overdue dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

32. Fair Value Measurements

(Amount in ₹)

<table>
<thead>
<tr>
<th>Financial Instruments by category</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>01 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FVOCI</td>
<td>Amortised cost</td>
<td>FVOCI</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>21,82,50,303</td>
<td></td>
<td>1,50,22,363</td>
</tr>
<tr>
<td>Loans</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Cash &amp; cash Equivalents</td>
<td>1,15,81,362</td>
<td></td>
<td>1,16,33,037</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>2,70,47,005</td>
<td></td>
<td>5,17,18,061</td>
</tr>
<tr>
<td>Total Financial assets</td>
<td>25,68,78,670</td>
<td></td>
<td>7,83,73,461</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>1010,33,04,595</td>
<td></td>
<td>822,36,04,595</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>115,58,85,604</td>
<td></td>
<td>241,27,85,326</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>5,35,68,441</td>
<td></td>
<td>2,15,64,198</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>1131,27,58,640</td>
<td></td>
<td>1065,79,54,119</td>
</tr>
</tbody>
</table>

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An Explanation of each level follows underneath the table.

(Amount in ₹)

<table>
<thead>
<tr>
<th>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</th>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31st March 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td></td>
<td>7,591,280,817</td>
<td>-</td>
<td>7,591,280,817</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td></td>
<td></td>
<td>7,591,280,817</td>
<td>-</td>
<td>7,591,280,817</td>
</tr>
</tbody>
</table>

Amount in ₹
Assets and liabilities which are measured at amortised cost for which fair values are disclosed

<table>
<thead>
<tr>
<th>Notes</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31st March 2017 Financial Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial assets</td>
<td>-</td>
<td>-</td>
<td>1,393,352,084</td>
<td>1,393,352,084</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>-</td>
<td>1,393,352,084</td>
<td>-</td>
<td>1,393,352,084</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>-</td>
<td>1,393,352,084</td>
<td>-</td>
<td>1,393,352,084</td>
</tr>
</tbody>
</table>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between levels 1 and 2 during the year.

The company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Valuation technique used to determine fair value**

Specify valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.

**(iii) Fair value of financial assets and liabilities measured at amortized cost**

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017</th>
<th>31 March 2016</th>
<th>1 April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Fair Value</td>
<td>Carrying Amount</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>10,103,304,595</td>
<td>7,591,280,817</td>
<td>8,223,604,595</td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>10,103,304,595</td>
<td>7,591,280,817</td>
<td>8,223,604,595</td>
</tr>
</tbody>
</table>

The carrying amounts of trade receivable, cash and cash equivalents, other current financial assets and other current financial liabilities at be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

33. Related party Transactions

**(a) Holding Company**

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid Corporation of India Limited</td>
<td>India- Holding Company</td>
<td>100% 100% 100%</td>
</tr>
</tbody>
</table>

Subsidiaries' Accounts
## (b) Subsidiaries of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powergrid NM Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Unchahar Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Kala Amb Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Warora Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Parli Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Southern Interconnector</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Vemagiri Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Power System Operation Corporation Limited*</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Grid Conductors Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Medinipur Jeerat Transmission Limited##</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Powergrid Jabalpur Transmission Limited</td>
<td>India-Fellow Subsidiary</td>
<td>NA NA NA</td>
</tr>
</tbody>
</table>

*ceases to be subsidiary w.e.f. 2nd January, 2017

## (c) Joint Ventures of Holding Company

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Place of business/country of incorporation/Relationship</th>
<th>Proportion of Ownership Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerlinks Transmission Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Torrent Power Grid Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Jaypee Powergrid Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Parbati Koldam Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Teestavalley Power Transmission Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>North East Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>National High Power Test Laboratory Private Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Energy Efficiency Services Limited*</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Bihar Grid Company Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Kalinga Vidhyut Prasaran Nigam Private Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Cross Border Power Transmission Company Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>RINL Powergrid TLT Private Limited</td>
<td>India-JV of Holding</td>
<td>NA NA NA</td>
</tr>
<tr>
<td>Power Transmission Company Nepal Ltd</td>
<td>Nepal-JV of Holding</td>
<td>NA NA NA</td>
</tr>
</tbody>
</table>

* Ceased to be Joint Venture w.e.f. 25th April, 2016

## (d) Key Management Personnel

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Date of Appointment</th>
<th>Date of Separation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri S Ravi</td>
<td>CEO</td>
<td>18.05.2015</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri D Kumaraswamy</td>
<td>CFO</td>
<td>11.05.2016</td>
<td>Continuing</td>
</tr>
<tr>
<td>Shri Arup Kumar Samanta</td>
<td>Company secretary</td>
<td>18.05.2015</td>
<td>Continuing</td>
</tr>
</tbody>
</table>
(e) Transactions with related parties

The following transactions occurred with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Services received by the Company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultancy Charges (Excluding Taxes)</td>
<td>27,74,07,572</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,74,07,572</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Infusion of equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td>155,00,00,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>155,00,00,000</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Services provided by the Company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NIL</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(f) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade payables (purchases of goods and services)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holding Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power grid Corporation of India Ltd.</td>
<td>18,77,76,285</td>
<td>4,47,27,560</td>
<td>501915100</td>
</tr>
<tr>
<td><strong>Total payables to related parties</strong></td>
<td>18,77,76,285</td>
<td>4,47,27,560</td>
<td>501915100</td>
</tr>
</tbody>
</table>

(g) Loans to/from related parties

(Amount in ₹)

<table>
<thead>
<tr>
<th>Loans from Holding Company</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Grid Corporation of India Ltd.</td>
<td>720,33,04,595</td>
<td>532,36,04,595</td>
<td>138,36,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>720,33,04,595</strong></td>
<td><strong>532,36,04,595</strong></td>
<td><strong>138,36,00,000</strong></td>
</tr>
</tbody>
</table>

(h) Interest accrued on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td>23,77,13,659</td>
<td>9,07,42,743</td>
<td>2,01,96,395</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,77,13,659</strong></td>
<td><strong>9,07,42,743</strong></td>
<td><strong>2,01,96,395</strong></td>
</tr>
</tbody>
</table>

(I) Interest on Loan

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td>56,81,55,824</td>
<td>22,82,72,601</td>
<td>2,24,40,439</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56,81,55,824</strong></td>
<td><strong>22,82,72,601</strong></td>
<td><strong>2,24,40,439</strong></td>
</tr>
</tbody>
</table>
34. Segment Information

Business Segment

The Board of Directors is the company’s Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

35. Capital and other Commitments

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at March 31, 2017</th>
<th>As at March 31, 2016</th>
<th>As at April 01, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</td>
<td>NIL</td>
<td>281,87,00,000</td>
<td>598,12,00,000</td>
</tr>
</tbody>
</table>

36. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts in respect of:

Other contingent liabilities amounting to ₹ 3,29,31,050/- (₹ NIL as on 31.03.2016) (₹ NIL as on 01.04.2015)

37. Capital management

a) Risk Management

The company’s objectives when managing capital are to
- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company’s capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

b) Dividends

No dividend has been declared by the company in the previous year and current year

38. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>From Continuing Operations</td>
<td>(1.63)</td>
<td>0.54</td>
<td>-</td>
</tr>
<tr>
<td>Total basic diluted earnings per share attributable to the equity holders of the company</td>
<td>(1.63)</td>
<td>0.54</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) Reconciliation of earnings used in calculating earnings per share

<table>
<thead>
<tr>
<th></th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
<th>1 Apr, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings attributable to the equity holders of the company</td>
<td>(21,94,20,181)</td>
<td>2,95,91,608</td>
<td>-</td>
</tr>
<tr>
<td>Total Earnings attributable to the equity holders of the company</td>
<td>(21,94,20,181)</td>
<td>2,95,91,608</td>
<td>-</td>
</tr>
</tbody>
</table>
39. Financial Risk Management:

The Company’s principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company’s capital investments and operations.

The Company’s principal financial assets include trade and other receivables, and cash and cash equivalents that are generated from its operations.

The Company’s activities expose it to the following financial risks, namely,

a) Credit risk,

b) Liquidity risk,

c) Market risk.

This note presents information regarding the company’s exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the Company is summarized below:

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of charge on delayed payment beyond 60 days. A granted rebate is provided by the company for payment made within 60 days.

Trade receivables consist of receivables relating to transmission services of ₹ 21,82,50,303 (31st March, 2016: ₹ 1,50,22,363, 1st April, 2015: ₹ NIL).

(ii) Other Financial Assets (excluding trade receivables)

- Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 115,81,362/- (31st March, 2016: ₹ 1,16,33,037/- 1st April, 2015: ₹ 1,71,77,691/). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

o Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:
POWERGRID VIZAG TRANSMISSION LIMITED

(Particulars)  
(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>11581362</td>
<td>11633037</td>
<td>17177691</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>27047005</td>
<td>51718061</td>
<td>206538</td>
</tr>
<tr>
<td>Total</td>
<td>38628367</td>
<td>63351098</td>
<td>17384229</td>
</tr>
<tr>
<td>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>218250303</td>
<td>15022363</td>
<td>0</td>
</tr>
</tbody>
</table>

- **Provision for expected credit losses**

  (a) **Financial assets for which loss allowance is measured using 12 month expected credit losses**

  The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

  (b) **Financial assets for which loss allowance is measured using life time expected credit losses**

  The Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior.

  Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

  (c) **Ageing analysis of trade receivables**

  The ageing analysis of the trade receivables is as below:

<table>
<thead>
<tr>
<th>Ageing</th>
<th>Not due</th>
<th>0-30 days past due</th>
<th>31-60 days past due</th>
<th>61-90 days past due</th>
<th>91-120 days past due</th>
<th>More than 120 days past due</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount as on 31st March, 2017</td>
<td>-</td>
<td>1816,50,000</td>
<td>273,00,303</td>
<td>12,00,000</td>
<td>-</td>
<td>81,00,000</td>
<td>2182,50,303</td>
</tr>
<tr>
<td>Gross carrying amount as 31st March, 2016</td>
<td>-</td>
<td>150,22,363</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,22,363</td>
</tr>
<tr>
<td>Gross carrying amount as 1st April, 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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.
## Contractual maturities of financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>Within a year</th>
<th>Between 1-5 years</th>
<th>Beyond 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 March 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings (including interest outflows)</td>
<td>85,03,28,820</td>
<td>784,27,87,722</td>
<td>707,68,59,666</td>
<td>1576,99,76,208</td>
</tr>
<tr>
<td>Other Current financial liabilities</td>
<td>115,58,85,604</td>
<td></td>
<td></td>
<td>115,58,85,604</td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>5,35,68,441</td>
<td></td>
<td></td>
<td>5,35,68,441</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>205,97,82,865</td>
<td>784,27,87,722</td>
<td>707,68,59,666</td>
<td>169794,30,253</td>
</tr>
<tr>
<td><strong>31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>70,33,00,000</td>
<td>710,79,00,000</td>
<td>559,12,00,000</td>
<td>1340,24,00,000</td>
</tr>
<tr>
<td>Other Current financial liabilities</td>
<td>241,27,85,326</td>
<td></td>
<td></td>
<td>241,27,85,326</td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>2,15,64,198</td>
<td></td>
<td></td>
<td>2,15,64,198</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>313,76,49,524</td>
<td>710,79,00,000</td>
<td>559,12,00,000</td>
<td>1583,67,49,524</td>
</tr>
<tr>
<td><strong>01 April 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>11,77,00,000</td>
<td>80,74,00,000</td>
<td>143,41,00,000</td>
<td>235,92,00,000</td>
</tr>
<tr>
<td>Other Current financial liabilities</td>
<td>12164,57,092</td>
<td></td>
<td></td>
<td>12164,57,092</td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>2,55,30,322</td>
<td></td>
<td></td>
<td>2,55,30,322</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>135,96,87,414</td>
<td>80,74,00,000</td>
<td>143,41,00,000</td>
<td>360,11,87,414</td>
</tr>
</tbody>
</table>

### C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- Currency risk
- Interest rate risk
  - Currency risk
    - As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.
  - Interest rate risk
    - The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

### 40. Income Tax expense

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The Company's tax positions.

#### (a) Income tax expense

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current tax on profits for the year</td>
<td>-</td>
<td>108,12,055</td>
</tr>
<tr>
<td>Adjustments for current tax of prior periods</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total current tax expense</td>
<td>-</td>
<td>108,12,055</td>
</tr>
<tr>
<td><strong>Deferred Tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in deferred tax assets</td>
<td>(6773,60,608)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (increase) in deferred tax liabilities</td>
<td>5913,52,334</td>
<td>125,13,525</td>
</tr>
<tr>
<td><strong>Total deferred tax expense /benefit</strong></td>
<td>(860,08,274)</td>
<td>125,13,525</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(860,08,274)</td>
<td>233,25,580</td>
</tr>
</tbody>
</table>
(b) Reconciliation of tax expense and the accounting profit multiplied by India’s tax rate:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31 March, 2017</th>
<th>31 March, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before income tax expense</td>
<td>(3054,28,455)</td>
<td>529,17,188</td>
</tr>
<tr>
<td>Tax at the Indian tax rate of NIL (FY 2015-2016 – 20.3885%) *</td>
<td>-</td>
<td>108,12,055</td>
</tr>
<tr>
<td>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of Intangibles</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Social responsibility expenditure</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other items</td>
<td>(860,08,274)</td>
<td>12,513,525</td>
</tr>
<tr>
<td>Adjustments for current tax of prior periods</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax losses for which no deferred income tax was recognized /</td>
<td>(860,08,274)</td>
<td>23,325,580</td>
</tr>
<tr>
<td><strong>Income Tax expenses</strong></td>
<td>(860,08,274)</td>
<td>23,325,580</td>
</tr>
</tbody>
</table>

41. Recent Accounting Pronouncements:

**Standard issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, ‘Statement of cash flows’. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’. This amendment is applicable to the company from 1st April, 2017.

**Amendment to Ind AS 7 ‘Statement of cash flows’**:

The amendment to Ind AS 7 ‘Statement of cash flows’ requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

42. First time adoption of IND AS

**Transition to IND AS**

These are the company’s first financial statements prepared in accordance with IND AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening IND AS balance sheet as at 1 April 2015 (The company’s date of transition). In preparing its opening IND AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

**Reconciliation of equity as at 31 March 2016 and 1 April 2015**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes to first time adoption</th>
<th>31 March, 2016</th>
<th>1 April 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity (shareholder’s funds) as per previous GAAP</td>
<td></td>
<td>57,69,75,133</td>
<td>54,72,71,457</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on Prior Period capitalisation</td>
<td>(1,12,068)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity as per IND AS</strong></td>
<td></td>
<td>57,68,63,065</td>
<td>54,72,71,457</td>
</tr>
</tbody>
</table>
Reconciliation of total comprehensive Income for the year ended 31 March 2016

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes to first time adoption</th>
<th>Previous GAAP</th>
<th>Adjustments</th>
<th>IND AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after tax as per provision GAAP</td>
<td>2,97,03,676</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation on Prior Period capitalisation</td>
<td>-</td>
<td>1,12,068</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit after tax as per IND AS</td>
<td>-</td>
<td>-</td>
<td>2,95,91,608</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>IX</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income as per IND AS</td>
<td>-</td>
<td>-</td>
<td>2,95,91,608</td>
<td>-</td>
</tr>
</tbody>
</table>

Impact of IND AS adoption on the statements of cash flows for the year ended 31st March, 2016

(Amount in ₹)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Notes to first time adoption</th>
<th>Previous GAAP</th>
<th>Adjustments</th>
<th>IND AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flow from operating activities</td>
<td>108,43,97,785</td>
<td>(1,12,068)</td>
<td>108,42,85,717</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>(792,99,47,034)</td>
<td>1,12,068</td>
<td>(792,98,34,966)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flow from financing activities</td>
<td>684,00,04,595</td>
<td>-</td>
<td>684,00,04,595</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td>(55,44,654)</td>
<td>-</td>
<td>(55,44,654)</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents as at 01 April, 2015</td>
<td>1,71,77,691</td>
<td>-</td>
<td>1,71,77,691</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents as at 31 March 2016</td>
<td>1,16,33,037</td>
<td>-</td>
<td>1,16,33,037</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note to First Time adoption**

**Restatement due to prior period errors**

Under Ind AS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ material prior period error shall be corrected by retrospective restatement. A Prior period income was recognised in the Financial Year 2016-17 which is restated at 1st April, 2015. This increased the capital work-in-progress as at 1st April, 2015 by ₹ 661,74,309/-. In the year 2015-16 amount of ₹ 84,43,842 capitalised due to this additional Depreciation of ₹ 1,12,068/- has been charged to Statement of Profit and Loss account, resulting of decrease in Profit and other equity by ₹ 1,12,068/- with corresponding increasing in accumulated depreciation.

42. The previous year figures have been reclassified/re-grouped to conform to the current year’s classification.

As per our report of even date

For **Ramu & Ravi**
ICAI FRN : 006610S
Chartered Accountants

K V R Murthy
Partner
Membership No. 200021
Place: Gurgaon
Date: 04th July, 2017

For and on behalf of Board of Directors

(R.P. Sasmal)
Chairman
DIN : 02319702
D Kumaraswamy
CFO

(S. Vaithilingam)
Director
DIN : 07107854
Arup Kumar Samanta
Company secretary

**Subsidiaries’ Accounts**
INDEPENDENT AUDITORS’ REPORT

To the Members of Power Grid Vizag Transmission Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Power Grid Vizag Transmission Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and report for the year ended 31st March 2015 dated 10th May 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Emphasis of Matter

There are no matters of emphasis to be reported.

Report on Other Legal and Regulatory Requirements
1. As required by the Companies (Auditor’s Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure'2' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.

3. As required by section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
   e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure '3'.
   g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 4th July 2017
INDEPENDENT AUDITORS’ REPORT

To the Members of Power Grid Vizag Transmission Limited

Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying special purpose standalone Ind AS financial statements of Power Grid Vizag Transmission Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2016 and the Opening Balance Sheet as at 1st April, 2015, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as “Comparative standalone Ind AS Financial Statements”).

Management’s Responsibility for the Comparative Standalone Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Comparative Standalone Ind AS Financial Statements in accordance with the basis of accounting described in Note 2.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Comparative Standalone Ind AS Financial Statements.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Comparative Standalone Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Standalone Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Comparative Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative Standalone Ind AS Financial Statements for the year ended 31st March, 2016 (including opening balance sheet as at 1st April 2015), are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to these financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to these Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting. The financial statements are prepared to assist the Company to meet the requirements of preparation of first set of complete standalone Ind AS financial statements. As a result, the financial statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to Note 2 to the Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the company’s state of affairs (financial position), profit/loss (financial performance including other comprehensive income), cash flows and the changes in equity.

Other Matter

The financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these special purpose standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

The Company has prepared a separate set of financial statements for the year ended March 31, 2016 and March 31, 2015 in accordance with
the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 on which we issued a separate auditor’s report to the shareholders of Company on 22nd Jun 2016.

For and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date : 4th July 2017

Annexure ‘1’

As referred to in our Independent Auditors’ Report to the members of the Power Grid Vizag Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017, we report that:

(i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.

b) The fixed assets have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.

c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventories have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).

a) The terms and conditions on which loans have been granted to the borrower companies covered under section 189 of the Act are not, prima facie, prejudicial to the interest of the company.

b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.

c) There are no overdue amounts of more than 90 days in respect of loans granted to the companies listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to information and explanation given to us, the company has complied with provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder.
Accordingly, paragraph 3(v) of the order is not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.

b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. However, following disputed demands of Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess dues have not been deposited:

(viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.
(ix) In our opinion on an overall basis and according to the information and explanations given to us, the Company has applied the term loans including funds raised through bonds for the purpose they were obtained. The Company has raised funds by issuance of debt instruments (bonds) during the year. The Company has not raised money by way of initial public offer or further public offer during the year.

(x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of frauds has been committed on or by the Company during the year.

(xi) According to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Act.

(xii) The Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.

(xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the Company.

For and on behalf of

RAMU & RAVI,
Chartered Accountants
FRN No. 006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date: 4th July 2017
ANNEXURE - 2


SPECIFIC AREAS EXAMINED DURING THE COURSE OF AUDIT OF ANNUAL ACCOUNTS OF POWER GRID VIZAG TRANSMISSION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017, IN TERMS OF THE DIRECTIONS / SUB-DIRECTIONS ISSUED TO US:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Management’s Reply</th>
<th>Statutory Auditors’ Reply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether the Company has clear title / lease deeds for freehold land, leasehold land, buildings and flats? If not, please state the area of the freehold land, leasehold land and buildings / flats for which title / lease deeds are not available.</td>
<td>Not applicable as the company does not possess any land as on the date of balance sheet.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td>2.</td>
<td>Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.</td>
<td>There were no cases of waiver of debts / loans / interest etc. during the financial year.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td>3.</td>
<td>Whether proper records are maintained for inventories lying with third parties &amp; assets received as gift, grants(s) from Govt. or other authorities.</td>
<td>The company has maintained adequate records in respect of the company’s inventories lying with third parties. In all cases, the confirmation from such parties have been obtained on year end basis. No assets were received as gift from Government or other Authorities.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
<tr>
<td>4.</td>
<td>Whether the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and if so whether these are in accordance with the books of accounts maintained by the company.</td>
<td>The Company has not held / dealt with specified Bank Notes (SBN) during the said period.</td>
<td>Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, we agree to the Management’s response.</td>
</tr>
</tbody>
</table>

For and on behalf of

RAMU & RAVI.,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
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Membership No. 200021

Place: Gurgaon
Date: 4th July 2017

ANNEXURE – 3
As referred to in our Independent Auditors’ Report to the members of the Power Grid Vizag Transmission Limited (‘the Company’), on the standalone financial statements for the year ended 31st March, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the act”)

We have audited the internal financial controls over financial reporting of the company as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial control based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on “the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”
For and on behalf of

RAMU & RAVI,
Chartered Accountants
FRN No.006610S

K.V.R. Murthy
Partner
Membership No. 200021

Place: Gurgaon
Date : 4th July 2017