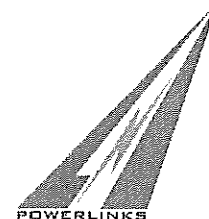


# POWERLINKS TRANSMISSION LIMITED.

(A Joint Venture of **TATA** POWER & POWERGRID)  
An ISO-9001; ISO-14001 and OHSMS-18001 Certified Company



## BOARD'S REPORT

To The Members,

The Directors are pleased to present the Seventeenth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March 2018.

### 1. FINANCIAL RESULTS

	Figures in Rs crore	
	FY18	FY17
(a) Net Sales / Income from Other Operations	161.23	149.44
(b) Operating Expenditure	18.22	13.75
(c) <b>Operating Profit</b>	<b>143.01</b>	<b>135.69</b>
(d) Less: Forex Loss	-	-
(e) Add: Other Income	12.67	12.11
(f) Less: Finance Cost	16.91	20.98
(g) Profit before Depreciation and Tax	138.77	126.82
(h) Less: Depreciation / Amortisation / Impairment	-	-
(i) <b>Profit before Tax</b>	<b>138.77</b>	<b>126.82</b>
(j) Tax Expenses	13.93	-68.96
(k) <b>Net Profit/(Loss) after Tax</b>	<b>124.84</b>	<b>195.78</b>

### 2. DIVIDEND

The Directors are pleased to recommend final dividend of 4% (Re 0.40 per share of Rs. 10 each) amounting to Rs. 18.72 crore for FY18 subject to approval of Members. The Board has declared an interim dividend @15% amounting to Rs. 70.20 crore in March 2018. Thus, the aggregate dividend is 19.00% (Rs. 1.90 per share of Rs 10 each) amounting to Rs. 88.92 crore for FY18 (Rs. 79.56 crore for FY17).

#### Registered & Corporate Office:

10<sup>th</sup> Floor, DLF Tower A, District Centre Jasola, New Delhi 110025 Tel.: 91 11 45159500  
Fax: 91 11 45159555 Email: powerlinks@powerlinks.co.in Website: www.powerlinks.co.in  
CIN U40105DL2001PLC110714

3. STATE OF COMPANY'S AFFAIRS  
FINANCIAL AND OPERATIONAL PERFORMANCE

- Financial

*Operating Revenue*

The Operating Revenue was at Rs 143.01 crore in FY18 as against Rs 135.69 crore in FY17, an increase of 5.39%.

*Other Income*

Other income was higher at Rs 12.67 crore in FY18 as against Rs 12.11 crore in FY17, an increase of 4.62%. The increase in other income is mainly due to higher return on treasury investments.

*Earnings per share*

During FY18, earning per share was at Rs 2.66 as against Rs 4.18 in the previous year.

- Operations

The average availability of transmission line was maintained at 99.83% for Eastern Region and 99.95% for Northern Region during FY18 as against minimum stipulated availability of 98.5%.

4. NATURE OF BUSINESS AND PROJECTS UNDER EXECUTION

The Company was established to be an inter-state transmission company evacuating power from Tala- Hydro Power Project in Bhutan to parts of Eastern and Northern India. The Company being a special purpose vehicle, there has been no change in the nature of business of the Company during the period under review.

5. RESERVES

During the current financial year, the Board has decided to transfer NIL amount to General Reserves and Surplus after appropriating dividend, dividend tax, debenture redemption reserve and self-insurance reserve.

6. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

The Company does not have any subsidiaries/JV/Associates and there have been no additions or removal thereof during FY18.

7. SHARE CAPITAL

The paid-up share capital of the Company as on 31<sup>st</sup> March 2018 was Rs.468 crore (Rupees Four hundred sixty eight crore). There has been no change in the paid-up share capital during the year.

## 8. SHARES

The Company has not bought back any of its securities or made any sweat equity issue, bonus issue or provided any Stock Option Scheme to the employees during the year under review.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### **Change in Board Composition**

On the recommendation of the Nomination & Remuneration Committee (NRC), Mrs Novel Lavasa was appointed as an Additional Director of the Company w.e.f 2<sup>nd</sup> May 2017 by the Board of Directors of the Company, in accordance with Section 161(1) of the Companies Act 2013 and the Articles of Association of the Company. Mrs Lavasa was also appointed as an Independent Director for a period of three years w.e.f 2<sup>nd</sup> May 2017 upto 1<sup>st</sup> May 2020. Her appointment as Independent Director was approved at the previous Annual General meeting (AGM) by the Members.

In terms of Section 149 of the Companies Act, 2013 (**the Act**), the Members had the following as Independent Directors of the Company:

Mrs. Rita Sinha  
Mr. D Diptivilasa  
Mrs. Novel S Lavasa

The Company has received declarations from the independent directors that they meet the criteria of independence as laid down under Section 149(6) of the Act.

Mr Sanjeev Mehra Non-Executive Director on your Company's Board resigned from the Board on 21<sup>st</sup> June 2018. The Board has placed on record its appreciation of the valuable contribution made by Mr Mehra during his tenure.

On the recommendation of the NRC, Mr Minesh S Dave was appointed as Additional Director of the Company w.e.f 10<sup>th</sup> July 2018, in accordance with Section 161(1) of the Companies Act 2013 and the Articles of Association of the Company by the Board of Directors of the Company. Mr Dave holds office only upto the date of forthcoming AGM and a notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr Dave's appointment as Director.

In accordance with the requirements of the Act, Mr K S R Murty, is liable to retire by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for his re-appointment.

## The Policy on appointment of directors

Policy on Board Diversity and Directors' Attributes is reproduced in Annexure-I forming part of this report.

## Number of Board Meetings

Five Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held were as follows:

2<sup>nd</sup> May 2017, 26<sup>th</sup> July 2017, 26<sup>th</sup> October 2017, 23<sup>rd</sup> January 2018 and 29<sup>th</sup> March 2018

Details of meeting attended by the Directors are given below:

Name of the Director	Designation	No. of Board Meetings attended during the year 2017-18
Mr. I S Jha	Chairman	5
Mr. Sanjeev Mehra	Director	5
Mr. Ajay Kapoor	Director	4
Mr. K S R Murty	Director	5
Mr. Jayant Tiku	CEO & Executive Director	5
Mrs. Rita Sinha	Independent Director	4
Mr. D Diptivilasa	Independent Director	5
Mrs Novel S Lavasa	Independent Director	3

## Meeting of Independent Directors

During the year, the Independent Directors met on 27<sup>th</sup> March 2018 without the presence of Executive Director and other members of management to review the performance of Non-independent Directors, the Chairman and the Board as a whole.

## Key Managerial Personnel

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of your Company:

Mr. Jayant Tiku, CEO & Executive Director  
Mr. Gajendra Bhardwaj, Chief Financial Officer  
Ms. Monica Mehra, Company Secretary

## 10. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act, the Nomination & Remuneration Committee is responsible for recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees. In line with this requirement, the Board has adopted the Remuneration Policy for Non-Executive Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure II forming part of this report.

## 11. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

- Audit Committee (AC)
- Nomination and Remuneration Committee (NRC)
- Corporate Social Responsibility Committee (CSR Committee)

### ***Audit Committee of Directors***

The functions of the committee can be grouped under the following three broad heads –

- To oversee the issue of reliable financial reports by the company.
- To oversee the control processes for the management of risk and for compliance with the laws.
- Other matters required by the laws, such as overseeing independent valuations and approving related party transactions.

Composition of the Audit Committee of Directors (Audit Committee) is as under:

Sl. No.	Name of the Director	Category
1.	Mr. Ajay Kapoor, Chairman	Non-Executive Director
2.	Mrs Rita Sinha	Non-Executive
3.	Mr. D Diptivilasa	Independent Director

Five Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

24<sup>th</sup> April 2017, 25<sup>th</sup> July 2017, 24<sup>th</sup> October 2017, 22<sup>nd</sup> January 2018 and 27<sup>th</sup> March 2018.

Details of Audit Committee meetings attended by the Directors are given below:

Name of the Director	No. of Meetings attended during the year 2017-18
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Mr. Ajay Kapoor	5
Mrs. Rita Sinha	4
Mr. D Diptivilasa	4

### ***Nomination and Remuneration Committee (NRC)***

The Company has adopted Charter for the Nomination and Remuneration Committee which specifies the principles and objectives, composition, meetings, authority and power, responsibilities, Reporting, Evaluation etc. of the Committee.

The Board has delegated the following powers to the NRC:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.

The roles and responsibilities of the NRC include the following:

- Board Composition and Succession, Evaluation, Remuneration and Development related
- Review of HR Strategy, Philosophy and Practices
- Other functions as may be prescribed by the Board

Composition of the Nomination and Remuneration Committee (NRC) is as under:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1	Mr. Sanjeev Mehra, Chairman*	Non-Executive Director
2	Mr. I S Jha	
3	Mrs. Rita Sinha	Non-Executive Independent Director
4	Mr. D Diptivilasa	

\*Resigned from Directorship from 21<sup>st</sup> June 2018.

Three meetings of Nomination & Remuneration Committee were held during the year. The dates on which the said meetings were held are as follows:

2<sup>nd</sup> May 2017, 23<sup>rd</sup> January 2018 and 29<sup>th</sup> March 2018.

Details of Nomination & Remuneration Committee meeting attended by the Directors are given below:

<b>Name of the Director</b>	<b>No. of Meetings attended during 2017-18</b>
Mr Sanjeev Mehra	3
Mr I S Jha	3
Mrs. Rita Sinha	3
Mr D Diptivilasa	3

### **Corporate Social Responsibility Committee (CSR Committee)**

The CSR Committee is responsible for-

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act or as may be prescribed by the rules thereto;
- Recommendation of the amount of expenditure to be incurred on the activities referred to in the above clause and
- Monitoring the execution of Corporate Social Responsibility Policy of the Company from time to time.

Composition of the Corporate Social Responsibility Committee (CSR) is as under:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1	Mrs Rita Sinha, Chairperson	Non-Executive Independent Director
2	Mr Sanjeev Mehra	Non-Executive Director
3	Mr. Jayant Tiku	CEO & Executive Director

Five Meetings of CSR Committee were held during the year. The dates on which the said meetings were held are as follows:

24<sup>th</sup> April 2017, 24<sup>th</sup> August 2017, 24<sup>th</sup> October 2017, 22<sup>nd</sup> January 2018 and 29<sup>th</sup> March 2018.

Details of Corporate Social Responsibility Committee meeting attended by the Directors are given below:

<b>Name of the Director</b>	<b>No. of Meetings attended during the year 2017-18</b>
Mrs. Rita Sinha	5
Mr. Sanjeev Mehra	4
Mr. Jayant Tiku	5

## **12. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board continues with the established process of evaluation of the performance of the Board, individual Directors and of each of the statutorily required committees of the Board. After obtaining feedback from each Director about their views on the performance of the Board and other Director, the Chairman of the Nomination & Remuneration Committee summarizes the observations received from his colleagues. Only those Directors who have attended at least three meetings are expected to submit feedback and individual evaluations are sought only for those Directors. The performance of the Board as a whole is then required to be reviewed at a meeting of Independent Directors. The performance of the non-independent Non-executive Directors and Board Chairman is also reviewed at this meeting. The summary of the evaluation of the board's performance and of individual directors is

presented to the NRC and to the entire board. Each Committee of the Board is also required to conduct a self-evaluation and to submit a summary report to the Board of the result of such evaluation.

### 13. REGULATORY AND LEGAL

Subsequent to the true-up order for FY10-14, CERC directed its staff to examine the impact of Transmission Majoration Factor (TMF) to review the continuation of TMF for subsequent years.

CERC, thereafter, notified a draft amendment to CERC Tariff Regulations, 2014 abolishing the continuation of TMF for the Company. The Company, objecting to such amendment, has filed detailed comments and presented the same before CERC during the public hearing held for the issue. CERC has not issued the final regulations in this regard yet.

### 14. RISK MANAGEMENT FRAMEWORK

The Company continues with its standardized Risk Management Process and System, which is based on the Risk Management Policy of the Company. Through a web-based system, Risk plans for all identified risks are monitored. Quarterly meetings to review major risks and identify new risks are held by the Risk Management Review Committee (RMRC) chaired by the CEO & Executive Director.

#### Internal controls and systems:

The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. All processes of the Company classified under vital, essential and desirable, are based on the analysis of risk and process impact on Company's Operations. During the year, the Company engaged PricewaterhouseCoopers as Internal Auditors.

### 15. SUSTAINABILITY

The Company has adopted Integrated Management System comprising of Quality Management System ISO 9001:2008, Environment Management System (IS) 14001:2004 and Occupational Health and Safety Management System - OHSAS 18001:2007 and is certified by BSI Assurance UK Limited.

### 16. SAFETY – CARE FOR OUR PEOPLE

#### Safety Statistics

Sl. No.	Safety Statistics	FY18	FY17
1	No. of Mock Drills	16	19
2	Evaluation of personal protective equipment	28	29



3	Inspection of first aid boxes	34	38
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The Company had nil cases of accidents. Lost Time Injuries Frequency Rate per million man hours (LITFR) and Total Injuries Frequency Rate per million man hours (TIFR) and First Aid cases during the year under review were nil.

## 17. CARE FOR OUR COMMUNITY

Your Company has been actively working on the following thrust areas in CSR- Education, Health & Sanitation and Livelihood and Employability.

In FY18, the CSR Policy based on the thrust Areas and programs in line with Schedule – VII of the Act with timelines and outcome indicators was framed. The same was approved by the Board of Directors as recommended by the CSR Committee of the Company.

- Details of CSR Policy are provided in Annexure III, Part A forming part of this report.
- Details of CSR spend are provided in Annexure III Part B forming part of this report

## 18. CARE FOR OUR ENVIRONMENT

Impact of Powerlinks' business on environment is minimal. The Company ensures, by taking assistance of the law enforcement authorities, that no habitation is constructed below its transmission lines. The Company has adopted the Environmental and Social Policy & Procedures (ESPP) in business activities viz. O&M and Project Management.

The Company organizes programmes from time to time on "Safety, Health and Environment Awareness" for employees of the Company.

## 19. HUMAN RESOURCES

Based on the training requirements, the Company has achieved Training need Completion Index (TNCI) of 100% as per target following July to June calendar.

Your Company is an equal employment opportunity company and is committed to creating a healthy work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment.

Under the Policy on Prevention of Sexual Harassment of Employees, the Company has an Internal Complaints committee to consider and redress complaints received under the policy. There was NIL complaint received during the year.

The Industrial relations continue to be cordial.

20. BORROWINGS

The unsecured Non-convertible Debentures amounting to Rs 105 crore issued by the Company are due for repayment in February 2019. The Debentures issued on private placement basis at a coupon rate of 7.60% are listed on National Stock Exchange. The Debenture trustees are Axis Trustee Services Ltd., Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Mumbai, Maharashtra 400025.

21. CREDIT RATING

The Company has achieved CRISIL AAA/stable (Outlook Revised from 'stable'; Rating Reaffirmed) on its Long term loans and CRISIL A1+ for its Short term loans and Working Capital facilities. Total Bank loan Facilities rated are Rs 269 crore.

22. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Rs crore	
	FY18	FY17
Foreign Exchange Outflow mainly on account of:		
<i>Interest on foreign currency borrowings, NRI dividends</i>	<i>0.07</i>	<i>0.07</i>

23. FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (**the Act**) and the Companies (Acceptance of Deposits) Rules, 2014.

24. DISCLOSURE OF PARTICULARS

The information required under Rule 5(2) of The Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure IV A forming part of this report. Information required by Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure IV B.

25. DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Particulars required by Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 on Conservation of Energy and Technology Absorption are given in the prescribed format as Annexure- V forming part of the report

26. RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Details of Related Party Transactions as per AOC-2 are provided in Annexure VI forming part of the report.

There were no related part transactions under CSR initiatives during the year.

## 27. LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans or provided any guarantees and securities under Section 186 of the Act. The details of investments are provided in the schedules to the financial statements.

## 28. EXTRACT OF ANNUAL RETURN

Extract of Annual Return is provided in Annexure VII forming part of the report.

## 29. AUDITORS

M/s S. R. Batliboi, LLP, Chartered Accountant (Registration No. 301003E/E300005), are the Statutory Auditors of the Company and hold office till the conclusion of Annual General Meeting of the Company to be held in the year 2022.

## 30. AUDITORS' REPORT

M/s. S. R. Batliboi, LLP, Chartered Accountant, who are the statutory auditors of your Company, have given their Audit Report. There have been no qualifications in the Audit Report.

## 31. COST AUDITOR AND COST AUDIT REPORT

Pursuant to the provisions of the Act, Mr K S Berk, practicing Cost Accountant, had been appointed as Cost Auditor of the Company for the financial year ended 31<sup>st</sup> March 2018.

In accordance with the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013, your Company carries out an audit of cost accounts relating to electricity every year. The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31<sup>st</sup> March, 2017, was filed within due date on 24<sup>th</sup> August, 2017 with the Ministry of Corporate Affairs.

## 32. SECRETARIAL AUDIT REPORT

M/s. Nirbhay Kumar & Associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for FY18. The Secretarial Audit Report confirms that the Company has complied with the applicable provisions of the Act except as provided therein.

Secretarial Audit Report is given as Annexure VIII.

### 33. VIGIL MECHANISM

Pursuant to Section 177(9) of the Act, a vigil mechanism was established in the Whistle Blower Policy for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/ Chairman of the Audit Committee of the Company.

### 34. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

*Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:*

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- 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 the 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.

The Board, its various committees and senior management have always emphasized the need for strict adherence to controls, reporting of non-compliance, transparency of decision making, accountability for actions, fair dealings and zero tolerance of corruption and unethical behaviour. The Directors are pleased to state that no significant departure from any of the above has been brought to light.

### 35. ACKNOWLEDGEMENTS

The Directors place on record their grateful thanks for the guidance and co-operation extended all through by the Ministry of Power, Ministry of Finance, Central Electricity Authority, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Power System Operation Corporation (POSOCO), and other concerned Government departments / agencies at the Central and State Level who are constantly providing us their active support.

The Board of Directors also extends its sincere thanks to Power Grid Corporation of India Ltd. (POWERGRID), and The Tata Power Company Ltd. for the support extended by them to the Company. The Board also extends its gratitude to POWERGRID for facilitating revenue collection for the Company.

The Directors further wish to place on record their sincere thanks to the various national/ international Financial Institutions and Banks for the continued trust and confidence reposed by them by rendering continuous timely assistance and patronage for operation and maintenance of the project.

The Board of Directors also takes this opportunity to place on record its gratitude for the valuable contribution and the cooperation extended by each member of the POWERLINKS family.

On behalf of the Board of Directors,

19<sup>th</sup> July 2018  
Gurgaon

-  
I S Jha  
Chairman  
DIN:15615  
Add: Power Grid Corporation  
Plot No 2, Sector-29,  
Gurgaon 122002

Annexure-I: Policy on Board Diversity and Directors' Attributes (Ref.: Board's Report, Section 9)

## 1. Objective

1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of Powerlinks Transmission Limited (the company).

1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

## 2. Attributes of directors

The following attributes need to be considered in considering optimum board composition:

i) Gender diversity:

Having at least one woman director on the Board.

ii) Age

The average age of board members should be in the range of 55-65 years.

iii) Competency

The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, operations of the company's business and other disciplines related to the company's business.

iv) Independence

The independent directors should satisfy the requirements of the Companies Act, 2013 (the Act).

### Additional Attributes

- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.

- The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.
- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its holding, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

### 3. **Role of the Nomination and Remuneration Committee**

3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

### 4. **Review of the Policy**

4.1 The NRC will review the policy periodically and recommend revisions to the board for consideration.

## Annexure-II: Remuneration Policy for Directors, Key Managerial Personnel and other employees (Ref.: Board's Report, Section 10)

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Powerlinks Transmission Ltd. ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

*"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*  
*(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*  
*(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"*

Key principles governing this remuneration policy are as follows:

### **Remuneration for independent directors and non-independent non-executive directors**

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.



- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

**Remuneration for managing director (“MD”)/ executive directors (“ED”)/ KMP/ rest of the employees<sup>1</sup>**

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be
  - ❖ Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
  - ❖ Driven by the role played by the individual,
  - ❖ Reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay,
  - ❖ Consistent with recognized best practices and
  - ❖ Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - ❖ The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - ❖ Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

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<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

- ❖ In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
- ❖ The company provides retirement benefits as applicable.
- ❖ In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.
- ❖ The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

#### **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

#### **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Annexure-III, Part A: CSR Activities (Ref.: Board's Report, Section 17)

1	A brief outline of the Company's CSR Policy, including	<p>The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, which has been approved by the Board.</p> <p>Powerlinks has been actively working in the following thrust areas in CSR:</p> <p>Education and Employability, Health care, Availability of Safe drinking Water, Eradicating hunger, poverty and malnutrition, and Environmental Sustainability and Animal Care.</p> <p>The CSR Policy may be accessed on the Company's website at the link:  <a href="http://www.powerlinks.co.in/pdf/csrpolicy.pdf">http://www.powerlinks.co.in/pdf/csrpolicy.pdf</a></p>
2	Composition of CSR Committee	<p>Mrs Rita Sinha</p> <p>Mr Sanjeev Mehra</p> <p>Mr Jayant Tiku</p>
3	Average net profit of the company for last three financial years:	As per Annexure 'a' to this part
4	Prescribed CSR Expenditure for FY 2016-17	<p>Rs 24162,857.95 or</p> <p>Rs 241.62 Lakh</p>
5	Details of CSR spent during the financial year:	As follows:
a	Total amount spent for the financial year	Rs 243.13 Lakh
b	Amount unspent, if any	Nil.
c	Manner in which the amount spent during the financial year	Details in Annexure 'b' to this part

6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report	The Company has met the spend requirement on CSR activities.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

Mr Jayant Tiku  
CEO & Executive Director  
DIN: 07085449  
DLF Tower A, District Centre Jasola  
New Delhi- 110025  
Date: 15.6.18

Mrs Rita Sinha  
Chairman of CSR Committee  
DIN: 5169220  
DLF Tower A, District Centre Jasola  
New Delhi- 110025  
Date: 15.6.18

**Calculation of Average Net profit of the Company for last three Financial Years.**

Financial year ended	2017	2016	2015
Profit before tax (In Rs.)	12681,59,197.00	11691,97,000.00	11870,72,496.00
Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 (in Rs.)	12681,59,197.00	11691,97,000.00	11870,72,496.00
Average net profit of the company for last three financial years (as defined in explanation to sub-section (5) section 135 of the Act in Rs.	12081,42,898.00		

Annexure-III, Part B: CSR Activities (Ref.: Board's Report, Section 17)

CSR spend FY 2017-18  
(Amount in Rs Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No.	CSR Project or activity identified	Sector in which the Project is covered (clause no. of Schedule VII to the Companies Act 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay in Rs. lakh (budget) project or programs wise	Amount in Rs lakh spent on the projects or programs Subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure in Rs lakh upto the Reporting period	Amount spent in Rs. Lakhs: - Direct or through implementing agency
1	Livelihood Programmes for differently-abled	Cl (ii) promoting education, including special education and employment enhancing skills	Local area, New Delhi	27.65	27.65	27.65	Sarthak Education Trust: 27.65

2	Mid-day meal	Cl (i) eradicating hunger, poverty and malnutrition	Vrindavan, Uttar Pradesh	12.00	12.00	12.00	12.00	Through Ramakrishna Mission Sevashrama 12.00
3	Skill Development: Training & Employability	Cl (ii) promoting education, including special education and employment enhancing skills	Lucknow, U.P.-2 Center	49.97	49.98	49.98	49.98	National Skill Development Corporation- Ministry of Skill Development 49.98
4	Access to Hospital Facilities/ Infrastructure/ Other health projects like Ultra sound Machine (Philips)	Cl (i) promoting health care including preventive health care	Vrindavan, U.P. & Muzaffarpur, Bihar	35.00	35.00	35.00	35.00	Ramakrishna Mission Sevashrama, Muzaffarpur
6	Health, Education, Livelihoods and Employability Social Capital and Infrastructure & Nurturing Sustainability for Inclusive Growth	Cl (i) & (ii) Promoting sanitation, education including special education and	5 Remote Villages of Saharsa District Bihar	100.00	100.00	100.00	100.00	GOONJ - A Voice an Effort 100

		employment enhancing vocations skills,							
7	Animal Welfare	Cl (iv) Animal Welfare	Noida U.P.	14.00	14.00	14.00	14.00	14.00	House of Stray Animals, Noida 14.00
8	Misc. (Others)	Travel & other administrative costs		3.00	4.50	4.50	4.50	4.50	
	<b>Total</b>			<b>241.62</b>	<b>243.13</b>	<b>243.13</b>	<b>243.13</b>	<b>243.13</b>	



## Annexure IVA: Particulars of Employees (Ref.: Board's Report, Section 24)

There are no particulars falling under this section.

## Annexure IVB: Disclosure of Managerial Remuneration (Ref.: Board's Report, Section 24)

A The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

Name of Director	Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year
Mr Jayant Tiku, CEO & ED	15.63
Mrs Rita Sinha	0.60
Mr D Diptivilasa	0.46
Mrs Novel Lavasa	0.14

b. The percentage increase in remuneration of each director, Chief Financial Officer, CEO, Company Secretary or Manager, if any, in the financial year:

Name of Director and Key Managerial Personnel	Percentage increase in remuneration in the financial year
Mr Jayant Tiku	-5.20
Mr Gajendra Bhardwaj, CFO (KMP)	5.30
Ms Monica Mehra, CS (KMP)	24.90

c) The percentage increase in the median remuneration of employees in the financial year: 24.39%

d) The number of permanent employees on the rolls of the company: 66

e) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration,

Average increase in remuneration of Managers (defined as MD and ED on the Board of your Company) was - 5.20%. For employees of Powerlink, the median increase was 24.39% .

f) Affirmation that the remuneration is as per the Remuneration Policy of the Company.

It is affirmed that the remuneration is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

## Annexure V: Conservation of Energy and Technology Absorption (Ref.: Board's Report, Section 25)

### A. Conservation of Energy

- (i) the steps taken or impact on conservation of energy
  - Energy consumption at all locations is being monitored on monthly basis.
  - All defective lights are being replaced by LED based fixtures in a phased manner
- (ii) the steps taken by the company for utilising alternate sources of energy  
NIL
- (iii) the capital investment on energy conservation equipment  
NIL

### B. Technology Absorption

Efforts, in brief, made towards Technology Absorption,  
Benefits derived as a result of the above efforts like product improvement, cost reduction,  
product development or import substitution

In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:

a) Technology Imported	NIL
b) Year of Import	NA
c) Has technology been fully absorbed	NA
If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	
d) Expenditure on R & D (in Rs crore)	
(i) Capital	NIL
(ii) Recurring	NIL
Total	NIL

## Annexure- VI: Related Party Transactions (Ref.: Board Report, Section 26)

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

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts or arrangements or transactions including value, if any	Justification for entering into such contracts or arrangements or transactions	Date (s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
The Tata Power Company Ltd (Holding Company)	Payment for ICT services	Ongoing	As per agreed framework Rs 71.77 lakh	Ratification done by Audit Committee	NIL
Power Grid Corporation of India Ltd. (we are its associate company)	Transmission Service Charges including incentive, rebate and surcharge.	25 years till 2028	As per CERC Regulations Rs 16571.18 Lakh	Ratification done by Audit Committee	NIL

Power Grid Corporation of India Ltd. (we are its associate company)	Reimbursements by the Company / Leasing of premises	25 years	As per contractual terms and agreed framework Rs 70.82 lakh	Ratification done by Audit Committee	NIL
Walwhan Renewable Energy Limited (fellow Subsidiary)	Sale of Laptop on transfer of employee	One time	Transfer of asset on transfer of employee to WREL on net book value Rs 0.61 lakh	Ratification done by Audit Committee	NIL

Annexure- VII: Extract of Annual Return (Ref.: Board Report, Section 28)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN ,

as on the financial year ended on 31<sup>st</sup> March 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:- U40105DL2001PLC110714

ii) Registration Date: 04/05/2001

iii) Name of the Company: Powerlinks Transmission Limited

iv) Category / Sub-Category of the Company: Public Company

v) Address of the Registered office and contact details:10<sup>th</sup> Floor, DLF Tower A,  
District Centre Jasola,  
New Delhi- 110025

vi) Whether listed company: ~~Yes~~ No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

TSR Darashaw Private Limited

6/10, Haji Moosa Patrawala Indu, 20 Dr E Moses Road,

Mahalaxmi, Mumbai - 400011 Maharashtra

**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: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the
---------	--	----------------------------------	----------------------------

			company
1	Power Transmission	5406	100%

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

	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	The Tata Power Company Ltd.  Bombay House  24, Homi Mody Street  Mumbai-400001	L28920MH1919PLC000 567	Holding	51%	2(46)

IV Share Holding Pattern (Equity Share Capital Break-up as percentage of Total Equity)									
i) Category - wise Share holding									
Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	3	3	0%	0	3	3	0%	0%
b) Central	0	0	0	0%	0	0	0	0	0%

Govt									
c) State Govt	0	0	0	0%	0	0	0	0	0%
d) Bodies Corp.	238679997	3	238680000	51%	238679997	3	238680000	51%	0%
e) Banks/ FI	0	0	0	0%	0	0	0	0	0%
f) Any other - Govt Company	229319997	0	229319997	49%	229319997	0	229319997	49%	0%
Sub-total (A) (1):-	467999994	6	468000000	100%	467999994	6	468000000	100%	0%
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0%
b) Other- Individuals	0	0	0	0	0	0	0	0	0%
c) Bodies Corp.	0	0	0	0	0	0	0	0	0%
d) Banks/ FI	0	0	0	0	0	0	0	0	0%
e) Any other	0	0	0	0	0	0	0	0	0%
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0%
Total Shareholding of Promoter (A)= (A)(1) +(A)(2)	467999994	6	468000000	100%	467999994	6	468000000	100%	0%
B Public Shareholding									
(1) Institutions	0	0	0	0%	0	0	0	0%	0%
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks/ FI	0	0	0	0%	0	0	0	0%	0%
c) Central Govt	0	0	0	0%	0	0	0	0%	0%
d) State	0	0	0	0%	0	0	0	0%	0%

Govt (s)									
e) Venture Capital Funds.	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIIs	0	0	0	0%	0	0	0	0%	0%
h) Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B) (1):-	0	0	0	0%	0	0	0	0%	0%
(2) Non-Institutions	0	0	0	0%	0	0	0	0%	0%
a) Bodies Corp.---- (i) Indian (ii) Overseas	0	0	0	0%	0	0	0	0%	0%
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs 1 Lakh	0	0	0	0%	0	0	0	0%	0%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	0	0	0	0%	0	0	0	0%	0%
c) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B) (2):-	0	0	0	0%	0	0	0	0%	0%
Total Public Shareholding (B)= (B)(1) +(B)(2)	0	0	0	0%	0	0	0	0%	0%



C. shares held by Custodian for GDRs & ADRs	0	0	0	0%	0	0	0	0%	0%
Grand Total (A+B+C)	467999994	6	468000000	100%	467999994	6	468000000	100%	0%

ii) Shareholding of Promoters

Sl No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	The Tata Power Company Ltd	238680000	51%	51%	238680000	51%	51%	0%
2	Power Grid Corporation of India Ltd	229319997	49%	49%	229319997	49%	49%	0%
3	Mr Ravi P Singh	1	0%	0%	1	0%	0%	0%
4	Mr I S Jha	1	0%	0%	1	0%	0%	0%
5	Mr T C Sarmah	1	0%	0%	1	0%	0%	0%
	Total	468000000	100%	100%	468000000	100%	100%	0%

\*Out of its total holding, The Tata Power Company Ltd holds three shares jointly with three individuals.

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

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SI No.	Shareholding at the beginning of the year		Reason	Increase/ decrease in promoters' Shareholding during the year		Cumulative Shareholding during the year	
	No of Shares	% of Total Shares of the Company		No of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
The Tata Power Company Ltd*	238680000	51%	No Change	0	0%	238680000	51%
Power Grid Corporation of India Ltd	229319997	49%	No Change	0	0%	229319997	49%
Mr Ravi P Singh	1	0%	No Change	0	0%	1	0%
Mr I S Jha	1	0%	No Change	0	0%	1	0%
Mr T C Sarmah	1	0%	No change	1	0%	1	0%
*Out of its total holding, The Tata Power Company Ltd holds three shares jointly with three individuals.							
iv) Shareholding pattern of top ten shareholders other than Directors, Promoters and Holders of GDRs and ADRs):							
SI No.	Shareholding at the beginning of the year		Reason	Increase or decrease in Shareholding during the year		Cumulative Shareholding during the year	
	No of Shares	% of Total Shares of the Company		No of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
	NIL*	NA				NIL	NA
* All shareholders are in the category of Promoters/ Directors							

v) Shareholding of Directors and Key Managerial Personnel								
Sl No.	Name of Shareholder	Shareholding at the beginning of the year		Reason	Increase/ decrease in directors/kmp' Shareholding during the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company		No of Shares	% of Total Shares of the Company	No of Shares	% of Total Shares of the Company
1	Mr I S Jha	1	0%	No Change			1	0%
2	Mr Ajay Kapoor (Joint holder with The Tata Power Company Ltd.	0	0%	Share transferred	1	0%	1	0%

## V. INDEBTEDNESS

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

In Rs crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	103.89	105.00	0.00	208.89
ii) Interest due but not paid	0.00	5.14		7.05
iii) Interest accrued but not due	1.91			
Total (i+ii+iii)	105.80	110.14	0.00	215.94
Change in Indebtedness				

during the financial year				
□ Addition	0.00	-	0.00	0.00
□ Reduction	53.86	5.14		59.00
Net Change	53.86	5.14	0.00	-59.00
Indebtedness at the end of the financial year				
i) Principal Amount	51.95	105.00	0.00	156.95
ii) Interest due but not paid	0.00	0.00		0.00
iii) Interest accrued but not due	0.96	5.14		6.10
Total (i+ii+iii)	52.91	110.14	0.00	163.05

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs)

Sl No.	Particulars of remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr Jayant Tiku, CEO& ED	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,052,457.38	6,052,457.38
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		

4	Commission - as % of profit - others, specify	2,241,400.00	2,241,400.00
5	Others, please specify	615,600.00	615,600.00
	Total (A)	8,909,457.38	8,909,457.38
	Ceiling as per the Act	Rs 6.94 crore which is 5% of Net Profit as computed above as per Section 198 of the Act	

B. Remuneration to other directors:

(Rs)

Sl.	Name of Directors	Particulars of Remuneration			Total
		Fee for attending board / committee Meetings	Commission	Others, please specify	
I.	Independent Directors				
1.	Mrs Rita Sinha	3,40,000	Nil	Nil	3,40,000
2.	Mr D Diptivilasa	2,60,000	Nil	Nil	2,60,000
3	Mrs Novel Lavasa	80,000			80,000
	Total (A)	6,80,000	Nil	Nil	6,80,000
II.	Other Non-Executive				Nil
1.	Mr I S Jha*	Nil	Nil	Nil	Nil
2.	Mr Sanjeev Mehra <sup>&amp;</sup>	Nil	Nil	Nil	Nil
3	Mr Ajay Kapoor <sup>&amp;</sup>	Nil	Nil	Nil	Nil
4	Mr K S R Murty*	Nil	Nil	Nil	Nil
	Total (B)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	6,80,000	Nil	Nil	6,80,000
	Overall Ceiling as per the Act	N.A. The Remuneration is only by way of Sitting Fees. As per section 197(2) of the Act, ceiling of 1% of Net Profits does not include sitting fees.			

\*No payment of sitting fee is being made to the Directors nominated on the Board of the Company from Power Grid Corporation of India Ltd., being a Central Public Sector Undertaking.

<sup>&</sup>No sitting fee is being paid to Directors nominated on the Board of the Company by TATA Power Company Ltd. as per Board approved policy

C. Remuneration to Key Managerial Personnel\* Other than Managing Director/ Manager /Whole Time Director

Rs

Sl No.	Particulars of remuneration	Key Managerial Personnel			
		CEO - Mr Tiku	Company Secretary - Ms Monica	CFO Mr Gajendra Bhardwaj	Total Amount
			204619	200772	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,052,457.38	1,423,567.40	2,330,947.30	9,806,972.08
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961				-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit - others, specify	2,241,400.00			2,241,400.00
5	Others, Retirals	615,600.00	238,269.62	276,327.11	1,130,196.73
	Total	8,909,457.38	1,661,837.02	2,607,274.41	13,178,568.81

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Compa	Brief Description	Details of Penalty / Punishment/	Authority [RD / NCLT/	Appeal made , if any

	nies Act		Compounding fees imposed	COURT]	(give Detail ls)
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH 2018

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

To,  
The Members,

#### **POWERLINKS TRANSMISSION LIMITED**

10<sup>th</sup> Floor, DLF Tower A  
District Center, Jasola  
New Delhi - 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERLINKS TRANSMISSION LIMITED** (here in after 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 my opinion thereon.

Based on our verification of the **POWERLINKS TRANSMISSION LIMITED** 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 31<sup>st</sup> March 2018 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 **Powerlinks Transmission Limited** ("The Company") for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;



- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the audit period).**
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(Not applicable to the Company during the audit period).**
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the audit period).**
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period).**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company during the audit period).**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period).**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the audit period).**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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 to the Company during the audit period).**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the audit period).**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;(**Not applicable to the Company during the audit period).**

(i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015;

Debt Securities (Debentures) of the Company has been listed consequently all regulations of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 (as Amended), applicable on the Company and Company is in compliance of all such provisions during the audit period.

(vii) The Electricity Act, 2003

(viii) CERC Rules & other Regulations issued from time to time, viz, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010. The Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012, CERC (Procedure for calculating Revenue from Tarff & Charges) Regulations 2010, Fees and charges of Regional Load Dispatch Centre and other related matters Regulations

### **We 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. 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 at least seven days 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.

Majority decision is carried through unanimously while the dissenting members' views if any are captured and recorded as part of the minutes.

**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.

**We further report that** during the audit period the company has **not** undertaken the following activities.

- (i) Public/Right/Preferential issue of shares / sweat equity/ debentures etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**For Nirbhay Kumar & Associates**

**Date – 10/07/2018**

**Place – New Delhi**

**Nirbhay Kumar**

**C.P. 7887**

**M. No. 21093**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Powerlinks Transmission Limited

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Powerlinks Transmission Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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.

### **Auditor's 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, 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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 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**

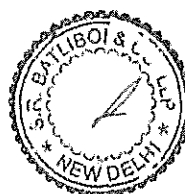
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 02 May 2017.

### **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.
2. 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 purpose 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 including the Statement of Other Comprehensive Income, 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

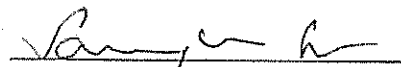
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

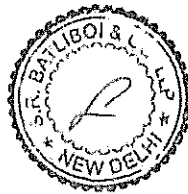


per Sanjeev Kumar Singhal  
Partner

Membership Number: 095377

Place of Signature: *New Delhi*

Date: April 19, 2018



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

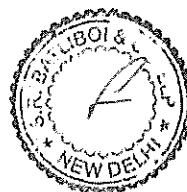
Annexure I referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Powerlinks Transmission Limited ('the Company')

- i. According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, 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, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning 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. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the Transmission of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess, on account of any dispute, are as follows:

Name of the statute	Nature of (the dues	Amount* ( Rs Lacs)	Period to which the amount relates	Forum where the dispute is pending
The Central sales Tax Act, 1956	Sale tax	4,246.15	2004-05 to 2007-08	High Court Lucknow
The Central sales Tax Act, 1956	Sale tax	2,31.19	2008-09 to 2010-11	Additional Commissioner (Appeals) Lucknow

\*Net of Rs. Nil paid under protest



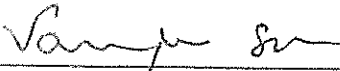


# S.R. BATLIBOI & CO. LLP

Chartered Accountants

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.
- ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

  
per Sanjeev Kumar Singh  
Partner  
Membership Number: 095377  
Place of Signature: New Delhi  
Date: April 19, 2018



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Powerlinks Transmission Limited**

**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 Powerlinks Transmission Limited ("the Company") as of March 31, 2013 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 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. 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 the 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls over financial reporting with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



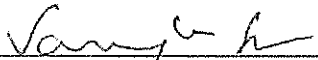
**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, 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 S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

  
per Sanjeev Kumar Singh  
Partner  
Membership Number: 95377  
Place of Signature: New Delhi  
Date: April 19, 2018





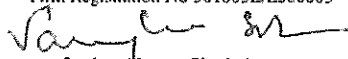
Powerlinks Transmission Limited  
Balance Sheet as at 31st March 2018

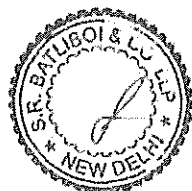
	Notes	As at	As at
		31st March 2018	31st March 2017
		INR lacs	INR lacs
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
(i) Service concession arrangement	3	83,878.65	90,360.75
(ii) Other financial assets	4.1	36.88	37.01
Non-current tax assets (net)	5	777.28	958.83
Other non-current assets	6	127.28	96.50
<b>Total Non-current assets</b>		<b>84,820.09</b>	<b>91,453.09</b>
<b>Current Assets</b>			
Inventories	7	172.50	172.55
<b>Financial assets</b>			
(i) Investments	8	12,086.03	9,556.44
(ii) Trade receivables	9	1,651.76	3,381.51
(iii) Unbilled revenue	4.2	2,197.28	2,485.64
(iv) Cash and cash equivalents	10	1,566.08	8.43
(v) Other bank balances	11	4,909.57	5,193.95
(vi) Service concession arrangement	3	6,248.13	5,568.82
(vii) Other financial assets	4.1	147.80	175.99
Other current assets	6	36.79	29.97
<b>Total current assets</b>		<b>29,015.94</b>	<b>26,573.30</b>
<b>Total assets</b>		<b>1,13,836.03</b>	<b>1,18,026.39</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	46,800.00	46,800.00
Other equity	13	39,497.46	36,607.19
<b>Total equity</b>		<b>86,297.46</b>	<b>83,407.19</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	-	15,663.90
Provisions	15	132.16	86.16
Deferred tax liabilities (net)	16	377.53	3,140.14
<b>Total non-current liabilities</b>		<b>509.69</b>	<b>18,890.20</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables	17	644.05	373.72
(ii) Other financial liabilities	18	16,591.08	11,502.28
Provisions	15	9.11	34.43
Current tax liabilities (net)	20	-	1,930.79
Other current liabilities	19	9,784.64	1,837.78
<b>Total current liabilities</b>		<b>27,028.88</b>	<b>15,729.00</b>
<b>Total liabilities</b>		<b>27,538.57</b>	<b>34,619.20</b>
<b>Total equity and liabilities</b>		<b>1,13,836.03</b>	<b>1,18,026.39</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batlboi & Co. LLP  
Chartered Accountants  
Firm Registration No-301003E/E300005

  
per Sanjeev Kumar Singhal  
Partner  
Membership No: 95377




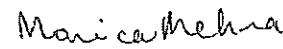
Place: New Delhi  
Date: 19/04/2018

For and on behalf of the Board of Directors

  
Sanjeev Mehra  
Director

  
Jayant Tilak  
Chief Executive Officer  
& Executive Director

  
Gajendra Bhardwaj  
Chief Financial Officer

  
Monica Mehra  
Company Secretary

Place: Gurugram  
Date: 19/04/2018

Place: Gurugram  
Date: 19/04/2018

Powerlinks Transmission Limited  
Statement of Profit and Loss for the year ended 31st March 2018

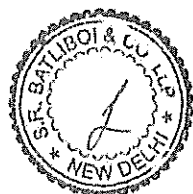
	Notes	Year Ended	Year Ended
		31st March 2018	31st March 2017
		INR lacs	INR lacs
Revenue from Operations	21	16,122.75	14,943.68
Other Income	22	1,267.69	1,211.28
<b>Total Income</b>		<b>17,390.44</b>	<b>16,154.96</b>
Expenses			
Employee benefits expense	23	754.62	700.07
Finance costs	24	1,691.62	2,097.92
Transmission, administration and other expenses	25	1,066.96	675.37
<b>Total expenses</b>		<b>3,513.20</b>	<b>3,473.36</b>
<b>Profit before tax</b>		<b>13,877.24</b>	<b>12,681.60</b>
Current tax (MAT)	16	4,188.10	3,911.96
Tax for earlier years	16	(32.00)	-
Deferred tax	16	(2,762.61)	(10,308.25)
<b>Income Tax expense</b>		<b>1,393.49</b>	<b>(6,896.29)</b>
<b>Profit for the year</b>		<b>12,483.75</b>	<b>19,577.89</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss in subsequent periods:			
Remeasurement of (losses)/gain in defined benefit plans		(22.65)	17.65
Income tax effect		4.83	(3.77)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods.</b>		<b>(17.82)</b>	<b>13.88</b>
<b>Total comprehensive income for the year</b>		<b>12,465.93</b>	<b>19,591.77</b>
<b>Earnings per equity share (Face Value of shares Rs 10 each)</b>			
Basic computed on the basis of profit attributable to equity holders (in Rs.)	27	2.66	4.18
Diluted computed on the basis of profit attributable to equity holders (in Rs.)		2.66	4.18

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batlbi & Co. LLP  
Chartered Accountants  
Firm Registration No-301003E/E300005

per Sanjeev Kumar Singhal  
Partner  
Membership No: 97377



Place: New Delhi  
Date: 19/04/2018

For and on behalf of the Board of Directors

  
Sanjeev Mehra  
Director

  
Jayant Tiku  
Chief Executive Officer  
& Executive Director

  
Gajendra Bhardwaj  
Chief Financial Officer

Place: Gurugram  
Date: 19/04/2018

  
Monica Mehra  
Company Secretary

Place: Gurugram  
Date: 19/04/2018

Powerlinks Transmission Limited  
Statement of cash flows for the year ended 31 March 2018

	For the year ended March 31 2018	For the year ended March 31 2017
	INR Laacs	INR Laacs
<b>Operating activities</b>		
Profit before tax	13,877.24	12,681.60
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Finance cost	1,691.62	2,096.03
Interest income earned on bank deposit	(636.42)	(588.35)
Unrealised gain on investment carried at fair value through statement of profit and loss	(34.97)	(26.67)
Net gain on sale of current investments-mutual funds	(596.30)	(458.52)
<b>Working capital adjustments:</b>		
Decrease in Inventory	0.05	0.62
Increase in Trade receivable	(3,569.81)	(471.20)
Decrease in Unbilled revenue	288.36	150.91
Decrease in Service Concession Arrangement-Non Current	6,482.11	7,160.74
Increase in Service Concession Arrangement-Current	(679.31)	158.31
Decrease in Other financial asset- Non current	0.13	0.03
Decrease in Other financial asset- current	0.01	(206.92)
Increase in Other Non current assets	(30.78)	(88.07)
Increase in Other current assets	(6.82)	7.28
Increase in Trade payable	270.33	76.76
Increase in Other current liabilities	876.86	(691.74)
Decrease in Short-term provisions	(25.32)	10.35
Increase in Long-term provisions	23.35	(20.35)
Decrease in Other Financial Liabilities - Current	(8.78)	2,861.99
	<u>17,921.55</u>	<u>22,652.80</u>
Income tax paid	(5,900.51)	(2,117.45)
<b>Net cash flows from operating activities</b>	<u>12,021.04</u>	<u>20,535.35</u>
<b>Investing activities</b>		
Purchase of Investment in Mutual funds	(53,037.19)	(65,314.15)
Sale proceeds from investments in mutual Funds	51,138.87	59,034.01
Interest received	664.60	629.79
Proceeds from maturity of fixed deposit	284.38	2,494.33
<b>Net cash flows used in investing activities</b>	<u>(949.34)</u>	<u>(3,156.02)</u>
<b>Financing activities</b>		
Finance costs	(1,763.80)	(1,683.03)
Proceeds from short term borrowings	-	10,601.85
Proceeds from long term borrowings	-	10,500.00
Repayment of short term borrowings	-	(10,601.85)
Repayment of long term borrowings	(5,194.58)	(16,450.95)
Dividends paid	(936.00)	(7,956.00)
Dividend distribution tax	(1,619.66)	(1,810.21)
<b>Net cash flows used in financing activities</b>	<u>(9,514.05)</u>	<u>(17,400.19)</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,557.65</u>	<u>(20.86)</u>
Cash and cash equivalents at the beginning of the year	<u>8.43</u>	<u>29.29</u>
<b>Cash and cash equivalents at the period end</b>	<u><u>1,566.08</u></u>	<u><u>8.43</u></u>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batlbot & Co. LLP  
Chartered Accountants  
ICAI Firm Reg no-301003E/E300005

*Sanjeev Kumar Singh*  
per Sanjeev Kumar Singh  
Partner  
Membership No. 95377



Place: New Delhi  
Date: 19/04/2018

For and on behalf of the Board of Directors

*Sanjeev Mehra*  
Sanjeev Mehra  
Chairman

*Jayant Tiku*

Jayant Tiku  
Chief Executive Officer  
& Executive Director

*Gajendra Bhardwaj*  
Gajendra Bhardwaj  
Chief Financial Officer

*Monica Mehra*  
Monica Mehra  
Company Secretary

Place: Gurugram  
Date: 19/04/2018

Place: Gurugram  
Date: 19/04/2018

Powerlinks Transmission Limited  
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Equity shares of INR 10/- each issued, subscribed, and fully paid.	No. of Shares	Amount in Rs.lacs
At 1 April 2016	4680,00,000	46,800
Issue of equity shares during the year	-	-
At 31st March 2017	4680,00,000	46,800
At 1 April 2017	4680,00,000	46,800
Issue of equity shares during the year	-	-
At 31st March 2018	4680,00,000	46,800

h. Other Equity

For the year ended 31st March, 2018

Amount in Rs. lacs

Description	Reserves and Surplus				Total
	General Reserve	Self Insurance Reserve	Debenture Redemption Reserve	Retained Earnings	
Balance as at 1st April, 2016 (A)	5,258.00	1,315.07	-	20,018.01	26,591.08
Profit for the year	-	-	-	19,577.89	19,577.89
Other Comprehensive Income/(Expense) for the year (net of tax)	-	-	-	13.88	13.88
Total Comprehensive Income (B)	-	-	-	19,591.77	19,591.77
Transferred to Self Insurance Reserve	-	152.14	-	(152.14)	-
Less: Payment of interim dividends on equity shares	-	-	-	(7,020.00)	(7,020.00)
Less: Dividend distribution tax on interim dividend	-	-	-	(1,429.11)	(1,429.11)
Less: Payment of final dividends on equity shares	-	-	-	(936.00)	(936.00)
Less: Dividend distribution tax on final dividend	-	-	-	(190.55)	(190.55)
Less :Debenture redemption reserve	-	-	1,942.50	(1,942.50)	-
Total (C)	-	152.14	1,942.50	(11,670.30)	(9,575.66)
Balance as at March 31, 2017 (A+B+C)	5,258.00	1,467.21	1,942.50	27,939.48	36,607.19
Balance as at April 01, 2017	5,258.00	1,467.21	1,942.50	27,939.48	36,607.19
Profit for the year	-	-	-	12,483.75	12,483.75
Other comprehensive income for the year (net of tax)	-	-	-	(17.82)	(17.82)
Total Comprehensive Income	5,258.00	1,467.21	1,942.50	40,405.41	49,073.12
Transferred to Self Insurance Reserve	-	152.15	-	(152.15)	-
Transfer to Debenture redemption reserve	-	-	682.50	(682.50)	-
Less: Payment of final dividends on equity shares	-	-	-	(936.00)	(936.00)
Less: Dividend distribution tax on final dividend	-	-	-	(190.57)	(190.57)
Less: Payment of interim dividends on equity shares	-	-	-	(7,020.00)	(7,020.00)
Less: Dividend distribution tax on interim dividend	-	-	-	(1,429.09)	(1,429.09)
Balance as at 31st March, 2018	5,258.00	1,619.36	2,625.00	29,995.10	39,497.46

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batlbot & Co. LLP  
Chartered Accountants  
Firm Registration No-301003E/E300005

per Sanjeev Kumar Singhal  
Partner  
Membership No: 97377



For and on behalf of the Board of Directors

Sanjeev Mehra  
Director

Jayant Tikku  
Chief Executive Officer  
& Executive Director

Gajendra Bhardwaj  
Chief Financial Officer

Monica Mehra  
Company Secretary

Place: New Delhi  
Date: 19/04/2018

Place: Gurugram  
Date: 19/04/2018

Place: Gurugram  
Date: 19/04/2018



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1 Corporate Information**

POWERLINKS TRANSMISSION LIMITED ("the Company"), has been set up pursuant to an agreement entered into between The Tata Power Company Limited and Power Grid Corporation of India Limited (POWERGRID) with 51% and 49% shareholding respectively, to construct, operate and maintain 1,166 Kilometers of five 400 KV Double Circuit Transmission Lines and one 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and surplus power in Eastern India and is being transferred to Northern India through the transmission lines. The company is a public limited company incorporated and domiciled in India and has its registered office at 10th Floor, DLF Tower A, District Centre Jasola, New Delhi 110025, India.

The Company has been granted transmission license for 25 years by Central Electricity Regulatory Commission (CERC) for the transmission of electricity effective 13 November, 2003.

During the previous year, the company had raised funds of Rs.10,500 Lacs by way of issue of redeemable non-convertible debentures. These debentures are listed on the National Stock Exchange of India Limited.

The financial statements were authorised for issue in accordance with a resolution of the Directors on April 19, 2018.

**2. Significant Accounting Policies :**

**2.1 Statement of compliance**

The Financial statements have been prepared in accordance with Indian Accounting Standards ( Ind AS) as notified under the companies ( Indian Accounting Standards) Rules , 2015(as amended from time to time) read with section 133 of the Companies Act, 2013.

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value;

a) Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

**2.3 Use of estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of service concession arrangement, valuation of deferred tax assets and provision for employee benefits.

**2.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

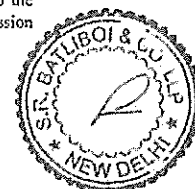
**2.4.1. Service Concession Arrangement ('SCA')**

**a. Recognition and measurement**

The Company had been set up to construct, operate and maintain 1,116 Kilometers of five 400 KV Double Circuit Transmission Line and 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. These transmission lines and related assets will be transferred to POWERGRID in terms of agreement at the end of the term of contract. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and from surplus power in Eastern India, which is being transferred to Northern India.

In terms of application of Ind AS- 11, Appendix A "Service Concession Arrangement (SCA)", the fair value of future cash flows receivable under the above project have been initially recognised under financial assets as 'Receivables under Service Concession Arrangements' and have been recognised at amortised cost subsequently. The term of the TSA agreement between Power grid Corporation of India Limited and Powerlink Transmission Limited is 25 years and may be extended to 30 years.

With respect to SCA, revenue and costs are allocated between those relating to transmission services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in the concession arrangements is classified as financial asset, based on the nature of the payment entitlements established in the SCA.



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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b. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or to restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA consequent to the right available with the grantor under the transmission service agreement. In case of SCA under financial asset model, such costs are recognised in the period in which such costs are actually incurred.

c. Revenue recognition

Once the infrastructure is in operation, the treatment of income is recognised as Revenue from operations under SCA in accordance with the financial asset model using effective interest method. Revenues from operations and maintenance services and overlay services are recognised in each period as and when services are rendered.

d. Borrowing cost related to SCAs

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure is charged to the Statement of Profit and Loss in the period in which such costs are incurred.

**2.4.2 Rendering of services**

Service Revenue primarily includes rendering of services for providing project management, consultancy, and supervision services. The Company recognises revenue as follows:

- a. Revenue from consultancy and supervision contracts on a time and material basis, is recognised as services are rendered and as related costs are incurred.
- b. Revenue from time and material contracts on fixed fee is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

**2.4.3 Dividend and Interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.5 Leasing arrangement**

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 fulfilment 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.

**2.5.1 The Company as lessor**

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

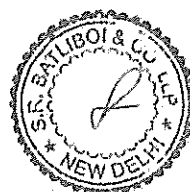
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**2.5.2 The Company as lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**2.6 Foreign currencies**

The functional currency of the Company is Indian rupee (Rs). These financial statements are presented in Indian Rupee.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

**2.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.8 Employee benefits**

**2.8.1 Retirement benefit costs and termination benefits**

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**Defined benefit plans**

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**2.8.2 Short term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

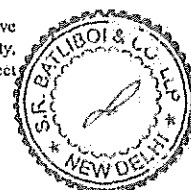
**2.9 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**2.9.1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



## 2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets 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 end of the reporting period.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 2.10 Inventories

Inventories comprises mainly stores and spares and valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes octroi, other levies, transit insurance and receiving charges.

Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make sales.

## 2.11 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.11.1 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.



**2.12 Financial Instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**2.13 Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**2.13.1 Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments in fair value through Profit or loss category are measured at fair value with all changes recognised in Profit and loss.

**2.13.2 Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

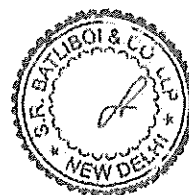
**2.13.3 Financial assets at Fair Value Through Profit or Loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.



**2.13.4 Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**2.13.5 Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset other than in its entirety. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

**2.14 Financial liabilities and equity instruments**

**2.14.1 Classification as debt or equity**

Debt and equity instruments issued by the Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**2.14.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**2.14.3 Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**2.14.4.1 Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

**2.14.4.1 Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**2.14.4.2 Financial guarantee contracts**

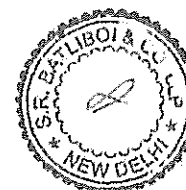
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and
- ii. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 'Revenue'.

**2.14.4.3 Derecognition of financial liabilities**

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**2.15 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage & demand deposit with bank

**2.16 Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.17 Earnings per equity share**

**a) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

**b) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax affect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.18 Rounding off policy**

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest Lacs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

**2.19 Operating cycle**

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Group's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

**2.20 Contingent Liabilities**

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

**2.21 Standard issued but not yet effective**

**a) Ind AS 115 - Revenue from Contracts with Customers**

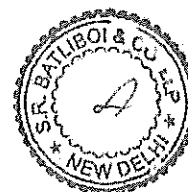
In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 'Revenue from Contracts with Customers' which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on the financial statements.

**b) Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**c) Transfers of Investment Property — Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since there are no investment properties, the Company does not expect any effect on its financial statements.

**d) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

**2.22 Critical accounting judgement & estimates**

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

a) Estimation of current tax and deferred tax expense- Note 2.9 and Note 16

b) Estimation of defined benefit obligation-

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

The mortality rate is based on publicly available mortality tables

c) Pursuant to application of Ind AS- 11, Appendix A "Service Concession Arrangement", the Company has followed the financial assets model for recognition and measurement of Service Concession Receivables. The Company has calculated Service Concession Receivables based on future cash flow from the project. In the Service Concession Receivables the Company has calculated the IRR based on the cash flow recovery from the project and initial investments. The model has been built based on the norms for Tariff allowed by Central Regulatory Commission in CERC (Terms and condition of tariff) Regulations 2014. Further since the contract is extendable by 5 years and as per CERC order and the Company is entitled to post tax return on its investment, cash flows have been prepared accordingly for a period of 30 years. - Note 2.4.1 & Note 3.

d) Estimation of MAT recoverability- Note 16

Estimates and judgement 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.





3. Service concession arrangement

	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
<b>Non-current</b>		
Service concession arrangement	83,878.65	90,360.75
	<b>83,878.65</b>	<b>90,360.75</b>
<b>Current</b>		
Service concession arrangement	6,248.13	5,568.82
	<b>6,248.13</b>	<b>5,568.82</b>

The Company was set up to construct, operate and maintain 1,116 Kilometres of five 400 KV Double Circuit Transmission Line and 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. The Company entered in to the Transmission Service Agreement with Power Grid Corporation of India Limited ("POWERGRID"), JV partner dated 29th March, 2004. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and surplus power in Eastern India and is being transferred to Northern India through the Transmission Lines exclusively to POWERGRID.

POWERGRID has right to purchase all the assets of the Company required to operate the project including land, buildings, plant and equipment, spare parts, records, drawings and all other consumables. The period of concession is 25 years from the date of transmission license, which is further extendable up to 30 years. The tariff for transmission charges and additional expenditure for assets under Service concession arrangement are subject to the approval by Central Electricity Regulatory Commission.

Pursuant to application of Ind AS- 11, Appendix A "Service Concession Arrangements" fair value of future cash flows receivables under the above said project is recognised initially under financial assets as Service Concession Arrangement and subsequently recognised at amortised cost.

Pursuant to regulations prior to 2009 which states that company will be allowed to recover the Deferred tax liability. Company continued to recognize deferred tax liability up to March 31, 2015 as recoverable in the books of accounts prepared as per the IGAAP applicable to the Company. The total deferred tax liability recorded as recoverable up till March 31, 2015 was Rs. 12,700 Lacs.

	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
<b>4.1 Other financial assets (unsecured, considered good)</b>		
<b>Non-current</b>		
Security deposits	36.88	37.01
	<b>36.88</b>	<b>37.01</b>
<b>Current</b>		
Interest accrued on bank deposits	144.27	172.45
Security deposits	0.07	0.07
Other receivables	3.46	3.47
	<b>147.80</b>	<b>175.99</b>
<b>4.2 Other financial assets (unsecured, considered good)</b>		
Unbilled revenue	2,197.28	2,485.64
	<b>2,197.28</b>	<b>2,485.64</b>

5. Non-current tax Assets

	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
Tax refund receivable	777.28	958.83
	<b>777.28</b>	<b>958.83</b>



Powerlinks Transmission Limited  
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	As at 31st March 2018 INR lacs	As at 31st March 2017 INR lacs
<b>6. Other assets (unsecured, considered good)</b>		
<b>Non-Current</b>		
Balances with government authorities	8.43	8.43
Prepaid expenses	118.85	88.07
	<b>127.28</b>	<b>96.50</b>
<b>Current</b>		
Balances with government authorities	1.16	1.16
Prepaid expenses	24.05	13.95
Advances to vendors	9.71	3.32
Other advances	1.87	4.21
Defined benefit plan asset (Refer Note 32)	-	7.33
	<b>36.79</b>	<b>29.97</b>

	As at 31st March 2018 INR lacs	As at 31st March 2017 INR lacs
<b>7. Inventories</b>		
Stores and spares (lower of cost and net realisable value)	172.50	172.55
	<b>172.50</b>	<b>172.55</b>

The cost of inventories recognised as an expense during the year was Rs 0.15 Lac (31st March, 2017: Rs 0.63 Lac).  
Purchase of Inventory during the year Rs 0.10 lacs (31st March, 2017- Nil )

The cost of inventories recognised as an expense includes Rs Nil Lacs (for the year ended 31st March 2017 Rs.Nil lacs) in respect of write-downs of inventory to net realisable value during the year.

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	As at	As at	As at	As at
	31st March 2018	31st March 2018	31st March 2017	31st March 2017
	Units	INR lacs	Units	INR lacs
<b>8. Current Investments</b>				
(i) Investments carried at fair value through profit and loss				
Mutual Funds (Unquoted)				
a. Tata Money Market Fund - Growth	91,824.62	2,504.00	98,040.49	2,503.75
b. Axis Liquid Fund - Growth	1,30,380.64	2,504.27	1,10,493.73	1,986.70
c. Invesco India Liquid fund - Growth	1,05,029.39	2,503.57	1,12,206.78	2,504.90
d. JM High Liquidity - Growth	-	-	3,95,269.17	175.36
e. IDFC Cash Fund - Growth (Regular plan)*	88,554.47	1,862.67	1,06,374.38	2,096.56
f. DSP Blackrock Liquidity Fund - Growth*	27,963.13	691.80	12,474.43	289.17
g. DHFL Pramerica Insta Cash Fund - Growth	8,01,103.64	1,802.44	-	-
h. UTI Money Market Fund - Growth	11,202.03	217.28	-	-
<b>Total current investments</b>		<b>12,086.03</b>		<b>9,556.44</b>
Aggregate carrying value of unquoted investments		<b>12,086.03</b>		<b>9,556.44</b>
Note:				
* Out of above, current investments under lien for debt service accrual account ('DSAA'), debt service reserve account ('DSRA') and self insurance reserve are as follows:				
i. JM high liquidity fund - growth	-	-	3,95,269.17	175.36
ii. DSP blackrock liquidity fund - growth	27,963.13	691.80	12,474.43	289.17
iii. IDFC cash fund - growth (regular plan)	88,554.47	1,862.67	1,06,374.38	2,096.56
	<b>1,16,517.61</b>	<b>2,554.47</b>	<b>5,14,117.98</b>	<b>2,561.09</b>

	As at	As at
	31st March 2018	31st March 2017
	INR lacs	INR lacs
<b>9. Trade Receivables</b>		
(Unsecured unless otherwise stated)		
Current Trade Receivables		
Considered good	1,651.76	3381.51
Considered doubtful	16.85	16.85
	<b>1,668.61</b>	<b>3,398.36</b>
Less: Allowance for doubtful trade receivable	16.85	16.85
	<b>1,651.76</b>	<b>3,381.51</b>

Trade Receivables  
The average credit period is 60 days. No interest is charged on trade receivables for first 60 days from the date of Invoice. Thereafter, interest is charged at 1.5% p.m. on the outstanding  
The company sells its entire transmission capacity to POWERGRID in terms of an exclusive Transmission service Agreement dated 29, March 2004.

Ageing	Expected Credit loss(%)
Within the credit period	
1-30 days past due	0.00%
31-60 days past due	0.00%
61-90 days past due	0.00%
More than 90 days past due	0.00%

Age of receivables

	As at	As at
	31st March 2018	31st March 2017
	(Rs. / Lacs)	(Rs. / Lacs)
Within the credit period	807.57	3,111.26
1-30 days past due	829.44	225.83
31-60 days past due	-	0.16
61-90 days past due	5.90	44.26
More than 90 days past due	8.85	-
<b>Total</b>	<b>1,651.76</b>	<b>3,381.51</b>

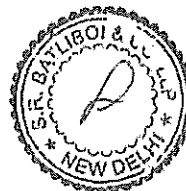
With respect to trade receivables, there are no indicators as on March 31, 2018 for payments in defaults. Accordingly, the Company does not anticipate any expected credit loss.



10. Cash and cash equivalents	As at	As at
	31st March 2018	31st March 2017
	INR lacs	INR lacs
Balances with Banks:		
- in current accounts	318.08	8.43
In Deposit Accounts (with original maturity less than three months)	1,248.00	-
Cash and cash equivalents as per balance sheet	<b>1,566.08</b>	<b>8.43</b>
Cash and cash equivalents as per statement of cash flow	<b>1,566.08</b>	<b>8.43</b>

11. Other bank balances	As at	As at
	31st March 2018	31st March 2017
	INR lacs	INR lacs
Balance with banks - in deposit accounts under lien*	4,909.57	5,193.95
	<b>4,909.57</b>	<b>5,193.95</b>
* Deposits under lien for Debt service reserve account (DSRA) Debt service accrual account (DSAA), insurance reserve and guarantee.	4,909.57	5,193.95

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12 Equity share capital

	As at 31st March 2018		As at 31st March 2017	
	Number	INR lacs	Number	INR lacs
<b>Authorised share capital</b>				
Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights	48,36,00,000	48,360.00	48,36,00,000	48,360.00
<b>Issued share capital</b>				
Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights	46,80,00,000	46,800.00	46,80,00,000	46,800.00
<b>Subscribed and fully paid up</b>				
Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights	46,80,00,000	46,800.00	46,80,00,000	46,800.00
		<b>46,800.00</b>		<b>46,800.00</b>

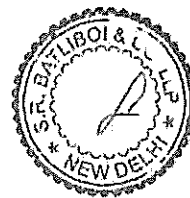
See notes (i) to (ii) below

(i) The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
The Tata Power Company Limited (Joint Venturer)	23,86,79,997	51.00	23,86,79,997	51.00
The Tata Power Company Limited and individuals jointly	3		3	
Power Grid Corporation of India Limited (Joint Venturer)	22,93,19,997	49.00	22,93,19,997	49.00
Individuals of Power Grid Corporation of India Limited	3		3	
	<b>46,80,00,000</b>	<b>100.00</b>	<b>46,80,00,000</b>	<b>100.00</b>

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	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
<b>13. Other Equity</b>		
<b>13.1 General Reserve</b>		
Balance at the beginning of the year	5,258.00	5,258.00
Balance at the end of the year (A)	<u>5,258.00</u>	<u>5,258.00</u>

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

<b>13.2 Debenture Redemption Reserve</b>		
Balance at the beginning of the year	1,942.50	-
Add: Amount transferred from retained earnings	682.50	1,942.50
Balance at the end of the year (B)	<u>2,625.00</u>	<u>1,942.50</u>

Note: As per Section 71(4) of the Companies Act, 2013, a Company is required to create a Debenture Redemption Reserve for the redemption of debentures to which adequate amount shall be credited out of its profits every year until such debentures are redeemed. Accordingly, an amount of Rs 682.50 lacs has been transferred to the Debenture redemption reserve from surplus in statement of Profit and Loss during the year.

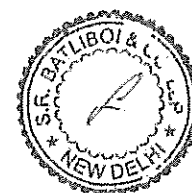
<b>13.3 Self insurance reserve</b>		
Balance at the beginning of the year	1,467.21	1,315.07
Add: Amount transferred from retained earnings	152.15	152.14
Balance at the end of the year (C)	<u>1,619.36</u>	<u>1,467.21</u>

Self insurance reserve is created at the rate of 0.10% per annum on gross block of Transmission Assets (as computed under the previous GAAP) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks

<b>13.4 Retained Earnings</b>		
Balance at the beginning of the year	27,939.48	20,018.01
Add: Other comprehensive income/(expense) arising from remeasurement of defined benefit obligation (net of tax)	(17.82)	13.88
Profit for the year	12,483.75	19,577.89
Less: - Payment of interim dividends on equity shares	7,020.00	7,020.00
- Payment of final dividends on equity shares	936.00	936.00
- Tax on interim dividend	1,429.09	1,429.11
- Tax on final dividend	190.57	190.55
- Transfer to Debenture redemption reserve	682.50	1,942.50
- Transferred to self insurance reserve	152.15	152.14
	<u>2,055.62</u>	<u>11,670.30</u>
Balance at the end of the year (D)	<u>29,995.10</u>	<u>27,939.48</u>
<b>Total (A+B+C+D)</b>	<u>39,497.46</u>	<u>36,607.19</u>

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Details of dividend paid are as follows:

Dividend Particulars	31st March 2018
<b>Cash dividend on equity shares declared and paid</b>	
Final dividend for the year ended March 31, 2017 (Rs. 0.20 per share)	936.00
Interim dividend for the year ended March 31, 2018 (Rs. 1.50 per share)	7,020.00
Dividend distribution tax on above	1,619.66
	<u>9,575.66</u>
<b>Particulars</b>	<b>31st March 2017</b>
<b>Cash dividend on equity shares declared and paid</b>	
Final dividend for the year ended March 31, 2016 (Rs. 0.20 per share)	936.00
Interim dividend for the year ended March 31, 2017 (Rs. 1.50 per share)	7,020.00
Dividend distribution tax on above	1,619.66
	<u>9,575.66</u>



In respect of the year ended 31 March, 2018, the directors in their meeting dated 19 April, 2018 have proposed a final dividend of Rs 0.40 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting. The proposed equity dividend is payable to all holders of fully paid equity shares. The total liability towards equity dividend and tax thereon amounts to Rs 1,872 Lacs and Rs 384.79 respectively.

	As at 31st March 2018 INR lacs	As at 31st March 2017 INR lacs
<b>14. Non-current Borrowings</b>		
Unsecured - at amortised cost		
Redeemable Non-convertible debentures	10,500.00	10,500.00
Less: Current Maturities of long term borrowing	(10,500.00)	-
<b>A</b>	<u>-</u>	<u>10,500.00</u>
Secured - at amortised cost		
Term loans from others		
(i) International finance corporation	2,745.65	5,482.14
(ii) Asian development bank	2,441.72	4,876.34
Less: Current Maturities of long term borrowing	(5,187.27)	(5,194.58)
<b>B</b>	<u>-</u>	<u>5,163.90</u>
<b>(A+B)</b>	<u>-</u>	<u>15,663.90</u>

**Note**

**Summary of Borrowings**

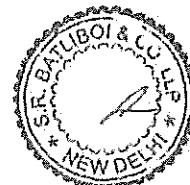
- a) The Loans from Asian Development Bank ("ADB") and International Finance Corporation ("IFC") mentioned in (b) collectively known as "Senior Lenders" were taken for financing the project. Against the loan the Company has created a first charge ranking pari passu on:
- all of its intangible, receivable against Service Concession Arrangements (non-current and current) assets;
  - all products of income from and proceeds of sale or other disposition of and any rights, easements, benefits, options, agreements, indemnities, warranties or covenants in respect of all of the foregoing; both present and future, in favour of the Senior Lenders for the purpose of above mentioned loan amounts.

b) The terms of repayment and interest rates of term loans and debentures are as follows:

S. No.	Particulars	Balance as at 31st March 2018 (Rs. in Lacs)	Interest rate p.a.	Terms of repayment
1	International Finance Corporation	2,749.67	Fixed rate of Interest-8.8%	Half yearly equal instalments of Rs.1,374.83 Lacs till 15.01.2019
2	Asian Development Bank	2,444.92	Fixed rate of interest -9.14%	Half yearly equal instalments of Rs.1,222.46 Lacs till 15.01.2019
3	Debentures	10,500.00	Fixed rate of Interest-7.6%	Bullet repayment on 09.02.2019
		<u>15,694.59</u>		

S. No.	Particulars	Balance as at 31st March 2017 (Rs. in Lacs)	Interest rate p.a.	Terms of repayment
1	International Finance Corporation	5,482.14	Fixed rate of Interest-8.8%	Half yearly equal instalments of Rs.1,374.83 Lacs till 15.01.2019
2	Asian Development Bank	4,876.34	Fixed rate of interest -9.14%	Half yearly equal instalments of Rs.1,222.46 Lacs till 15.01.2019
3	Debentures	10,500.00	Fixed rate of Interest-7.6%	Bullet repayment on 09.02.2019
		<u>20,858.48</u>		

	As at 31st March 2018 INR lacs	As at 31st March 2017 INR lacs
<b>15. Provisions</b>		
<b>Non-current</b>		
Provision for Employee Benefits		
(i) Compensated absences	78.01	86.16
(ii) Gratuity (Net) (Refer Note 32)	30.53	-
(iii) Post-Retirement medical benefits (Refer Note 32)	12.91	-
(iv) Other employee benefits	10.71	-
	<u>132.16</u>	<u>86.16</u>
<b>Current</b>		
Provision for Employee Benefits		
(i) Compensated absences	7.87	34.43
(ii) Post-retirement medical benefits (Refer note -32)	0.05	-
(iii) Other employee benefits	1.19	-
	<u>9.11</u>	<u>34.43</u>



	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
<b>16. Deferred Tax Liabilities (net)</b>		
MAT credit entitlement	17,566.13	18,987.52
Deferred tax liabilities	(17,943.66)	(22,127.66)
Net Deferred tax asset/(liabilities)	<u>(377.53)</u>	<u>(3,140.14)</u>

Particulars	Balance as at 01st April 2017	Recognised in Profit or loss	Recognised in other comprehensive Income	Balance as at 31st March 2018
Deferred tax (liabilities) / assets in relation to				
Service concession arrangement and others	(22,127.66)	4,184.00	-	(17,943.66)
MAT credit entitlement	18,987.52	(1,421.39)	-	17,566.13
	<u>(3,140.14)</u>	<u>2,762.61</u>	-	<u>(377.53)</u>

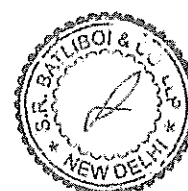
Particulars	Balance as at 01st April 2016	Recognised in Profit or loss	Recognised in other comprehensive Income	Balance as at 31st March 2017
Deferred tax (liabilities) / assets in relation to				
Service concession arrangement and others	(22,127.66)	-	-	(22,127.66)
MAT credit entitlement	8,179.27	10,808.25	-	18,987.52
	<u>(13,948.39)</u>	<u>10,808.25</u>	-	<u>(3,140.14)</u>

- a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- b. The Company started availing the tax benefit under section 80IA of the Income Tax Act, 1961, with effect from the financial year 2011-12, whereby the Company is entitled to a tax holiday for 10 years. Deferred tax liabilities as at 31 March, 2018, reflect the quantum of tax liabilities accrued up to year end but payable after the expiry of tax holiday period.
- c. Deferred tax liabilities includes difference between carrying value of Service Concession Arrangement and tax base of Property, plant and equipment as at the year end.
- d. Pursuant to amendment in section 115JAA of Income Tax Act, 1961 in the previous year, MAT credit can be utilised up to 15th assessment year as against 10th assessment year earlier. Accordingly during the year ended March 31, 2017, the Company had recognised MAT credit for previous years amounting to Rs. 10,808.25 Lacs.

Pursuant to amendment in corporate tax as per Finance Act, 2018 from 30% to 25%, the company is of the view that it will not be able to utilize MAT credit entitlement amounting to Rs.3,567.22 Lacs. Thus, company has reversed such MAT credit entitlement during the year.

As on March 31, 2018 company has MAT credit entitlement aggregating to Rs. 17,566.13 Lacs (March 31, 2017 : Rs.18,987.52 Lacs). For the purpose of ascertaining the recoverability of MAT credit, projections for future taxable profits are prepared and evaluated by the management at the end of each reporting period.

	Year ended 31st March 2018	Year ended 31st March 2017
	(INR Lacs)	(INR Lacs)
<b>Income taxes</b>		
Income taxes recognised in profit & loss		
Current tax		
In respect of current year	4,188.10	3,911.96
In respect of previous years	(32.00)	-
	<u>4,156.10</u>	<u>3,911.96</u>
Deferred tax (credit)/expense		
a) In respect of temporary differences	(4,184.00)	-
b) MAT credit entitlement		
-In respect of Current year	(2,145.83)	(10,808.25)
-In respect of previous year	3,567.22	-
	<u>(2,762.61)</u>	<u>(10,808.25)</u>
<b>Total income tax expense/(credit) recognised</b>	<u>1,393.49</u>	<u>(6,896.29)</u>





The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31st March 2018 (INR Lacs)	Year ended 31st March 2017 (INR Lacs)
Profit before tax	13,877.24	12,681.60
Statutory Income tax	34.608%	34.608%
Tax at statutory income tax rate	4,802.64	4,388.86
Add: Effect of expenses that are not deductible in determining taxable profit	128.21	86.59
Less: Effect of income that are not taxable in determining taxable profit	(12.10)	(11.41)
Less: Effect on tax due to tax holiday exemption under 80IA	(5,375.00)	(4,098.97)
Less: Adjustments recognised in the current year in relation to the reversal of MAT credit entitlement and change in tax rate during the current year	1,849.74	(7,261.36)
Income tax expense recognised in the statement of profit or loss	<u>1,393.49</u>	<u>(6,896.29)</u>

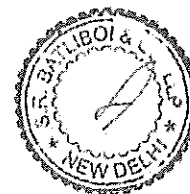
The tax rate used for the financial years 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

Income tax recognised in other comprehensive income

	Year ended 31st March 2018 (INR Lacs)	Year ended 31st March 2017 (INR Lacs)
<b>Current tax</b>		
Arising on Income and expenses recognised in other comprehensive income	4.83	(3.77)
Remeasurements of defined benefit obligation	4.83	(3.77)
Total income tax recognised in other comprehensive income	<u>4.83</u>	<u>(3.77)</u>

	As at 31st March 2018 INR lacs	As at 31st March 2017 INR lacs
<b>17. Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	644.05	373.72
	<u>644.05</u>	<u>373.72</u>
<b>18. Other Financial Liabilities</b>		
<b>Current</b>		
Current maturity of Redeemable Non-convertible debentures	10,500.00	-
Current maturities of long-term debt	5,187.36	5,194.58
Interest accrued but not due on borrowings	609.41	705.05
Unearned income - to be utilised in future tariff determination*	270.35	5,569.91
Other payables	23.96	32.74
	<u>16,591.08</u>	<u>11,502.28</u>

As per Central Electricity Regulatory Commission ("CERC") (Terms and condition for tariff) Regulation 2014, the company had raised invoices to customer for transmission charges till 31.03.2017 on the basis of tariff order as approved by CERC and applicable upto 31 March, 2014. As the billed amount was higher than the revenue earned, the company created future tariff liability for the differential amount. As CERC issued order dated 20 April 2017 for determination of transmission tariff for period 2014-19, the company adjusted the differential tariff during the year ended 31st March 2018. Balance as at March 31, 2018 represent estimated differential tariff computed post receipt of order dated 20 April 2017.



Powerlinks Transmission Limited  
Notes to the Financial Statements

	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
<b>19. Other Liabilities</b>		
<b>Current</b>		
Provision for Interim Dividend	7,020.00	-
Dividend distribution tax	1,429.11	1,429.11
Statutory liabilities	35.04	26.87
Advance and progress payments received	1,299.53	430.39
Other payables	0.96	1.41
	<b>9,784.64</b>	<b>1,887.78</b>

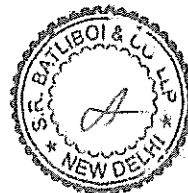
	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
<b>20. Current tax liabilities (net)</b>		
Income Tax Payable	-	1,930.79
	<b>-</b>	<b>1,930.79</b>

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	Year Ended 31st March 2018	Year Ended 31st March 2017
	INR lacs	INR lacs
<b>21. Revenue from Operations</b>		
(i) Income from Service concession arrangement	15,949.41	14,819.82
(ii) Incentive on transmission service charges	275.38	245.98
(Less): Cash discount	(154.25)	(122.78)
	16,070.54	14,943.02
<b>Other Operating Revenue</b>		
Rent	0.77	0.23
Consultancy, project management and supervision fee	28.96	-
Miscellaneous	22.48	0.43
	52.21	0.66
	16,122.75	14,943.68
	Year Ended	Year Ended
	31st March 2018	31st March 2017
	INR lacs	INR lacs
<b>22. Other Income</b>		
<b>Interest Income</b>		
Interest on banks deposits	377.45	588.35
Surcharge on late payment received	161.97	135.45
Interest on Income-tax refund	94.89	-
Other interest	2.11	2.29
	636.42	726.09
<b>Gain on Investments</b>		
Net gain on current investment measured at FVTPL sold	596.30	458.52
Unrealised gains on investments carried at FVTPL	34.97	26.67
	631.27	485.19
	1267.69	1211.28
	Year Ended	Year Ended
	31st March 2018	31st March 2017
	INR lacs	INR lacs
<b>23. Employee Benefits Expense</b>		
Salaries and wages	623.00	589.21
Contribution to provident fund & other fund	56.10	57.50
Gratuity (Refer note-32)	11.27	11.69
Staff welfare expenses	64.25	41.67
	754.62	700.07

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	Year Ended 31st March 2018	Year Ended 31st March 2017
	INR lacs	INR lacs
<b>24. Finance Costs</b>		
<b>Interest Expense:</b>		
<b>Borrowings</b>		
a. Interest on debentures	798.00	513.78
b. Interest on loans - banks & financial institutions	741.07	1537.04
<b>Others</b>		
Interest on delayed payment of income tax	125.26	12.20
	1,664.33	2,063.02
<b>Other Borrowing Cost:</b>		
Other finance costs	27.29	34.90
	27.29	34.90
	1,691.62	2,097.92

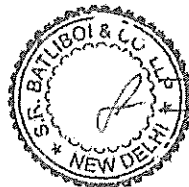
	Year Ended 31st March 2018	Year Ended 31st March 2017
	INR lacs	INR lacs
<b>25. Transmission, administration and other expenses</b>		
Rent	17.29	9.82
Repairs and maintenance- others	346.22	73.59
Rates and taxes ( refer note B)	7.89	2.19
Insurance	6.22	7.05
Other Operation expenses	155.24	100.62
Travelling and conveyance expenses	87.73	91.99
Consultants' fees	42.86	15.80
Legal & professional charges	30.77	46.12
Payment to auditors ( refer note A)	20.02	24.57
Cost of services procured	85.68	43.60
Corporate social responsibility expenses	244.04	237.99
Miscellaneous expenses	23.00	22.03
	1,066.96	675.37

<b>A. Payment to auditors (including taxes)*</b>		
(a) for Statutory audit	14.91	14.95
(b) for Tax audit	1.65	2.30
(c) for Certification fee	0.29	3.52
(d) for other services	0.32	3.45
(e) Reimbursement of expenses	2.85	0.35
	20.02	24.57

\* Above auditor's remuneration also includes predecessor auditor fees of INR 3.67 lacs paid for limited review, other services and out of pocket expenses.

<b>B. Rates and taxes</b>	61.10	55.40
Less: reimbursements received/receivable for application fee and license fee paid	(53.21)	(53.21)
	7.89	2.19

System operation charges	14.64	21.39
Less: recoverable from beneficiaries	(14.64)	(21.39)
	-	-



26 Segment Reporting

The Company had been set up to construct, operate and maintain 1,116 Kilometers of five 400 KV Double Circuit Transmission Line and 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. The Company has obtained the Transmission License from CERC for setting up the Project on a BOOT basis and for selling its entire available transmission capacity exclusively to POWERGRID under transmission service agreement.

The Company has determined its operating segment as Transmission Service Income, based on the information reported to the chief operating decision maker (CODM) i.e. Board of Directors in accordance with the requirements of Indian Accounting Standard 108 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

The Company has "Transmission Service Income" as single reportable segment.

27 Earnings per share

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended.

Particulars	Denomination	Year Ended 31st March 2018	Year Ended 31st March 2017
a. Profit for the year	Lacs	12,483.75	19,577.89
b. Weighted average number of equity shares used in computing the basic and diluted earnings per share	No. of shares	46,80,00,000	46,80,00,000
c. Earnings per share basic and diluted	Rs.	2.66	4.18

28 Contingent liabilities

Particulars	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
A. Claims against the Company not acknowledged as debts *		
- Disputed demands raised by sales tax authorities [refer (a) below]	4,477.34	4,133.37
- Disputed demands raised by income tax authorities [refer (b) below]	-	-
- others	1,615.22	1,608.06
	6,092.56	5,741.43

\* No provision is considered necessary since the company expects favorable decisions.

(a) The amount represent demand amounting to Rs. 2,658.28 Lacs and interest accruing at rate of 18% p.a. amounting to Rs. 1,819 Lacs levied by the office of the Deputy Commissioner, Commercial Taxes (DCCT) for the Financial Year 2004-05 to 2009-10 under section 10A of Central Sales Tax Act. The Company is in process of filing revision and stay petition in High Court Lucknow.

(b) Additional Commissioner of Income tax has made additions to income amounting to Rs. 1,485 Lacs on account of excess deduction claimed by assessee under Section 80IA of Income Tax Act for AY 2012-13. Company has filed appeal with Commissioner of Income tax (Appeals), company is confident that no liability will devolve against it.

B. The Company had paid income tax amounting to Rs. 1,249.19 lacs (including interest of Rs. 136.55 lacs due to delayed payments) during the year ended 31 March, 2009 towards income taxable on account of Advance Against Depreciation (AAD) allowed by the CERC for the years ended 31 March, 2008 and 2009 pursuant to an advance ruling given in case of National Hydroelectric Power Corporation Limited (NHPC) by Income Tax Authorities for Advance Rulings which opined that tax was payable on AAD. The Company had recorded transmission service income of Rs. 594.66 lacs and Rs. 654.53 lacs during the year ended 31 March, 2008 and 31 March, 2009 respectively against the aforesaid tax payment.

As per the Supreme Court ruling dated 5 January, 2010 in case of "National Hydroelectric Power Corporation Limited Vs Commissioner of Income Tax", the Supreme Court had opined that AAD cannot be considered as income being income received in advance which would be taxed in the year in which income is accrued. Accordingly, the Company had revised its income tax returns in August 2010 and claimed a refund of Rs. 611.40 lacs and Rs. 636.14 lacs for the years ended 31 March, 2008 and 31 March, 2009 respectively.

The Company had received a refund of Rs. 636.14 lacs (including interest of Rs. 51.19 lacs) pertaining to the year ended 31 March, 2009 during the year ended 31 March, 2013. Accordingly, the Company had made an adjustment to transmission service charges amounting to Rs. 654.53 lacs (including tax adjustment related to the refund amount). The refund of interest of Rs. 51.19 lacs was included under 'other income' and refund of tax amount of Rs. 580.38 lacs was credited to the Statement of Profit and Loss as current tax adjustment relating to prior years.

The accounting for tax paid on Advance Against Depreciation for the year ended 31 March, 2008 would be done on its receipt and will be based on the prevalent tariff regulations.

29 Commitments

Particulars	As at 31st March 2018	As at 31st March 2017
	INR lacs	INR lacs
a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	168.63	255.15
b. The Company has other cancellable commitments, for purchases/service orders which are issued after considering requirements per operating cycle for purchase / sale of services, in the normal course of business.		
c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.		

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**Powerlinks Transmission Limited**  
Notes to the financial statements

**30 Corporate social responsibility (CSR)**

- a. Gross amount required to be spent by the Company during the year ended 31 March, 2018 Rs. 241.63 lacs (Previous year Rs. 238.27 lacs).  
b. Amount spent during the year ended 31 March 2018:

Particulars	(All amounts are in Rs./ Lacs)	
	Paid (A)	Yet to be paid (B)
(a) Construction/acquisition of any asset	(-)	(-)
(b) On purposes other than (a) above	244.04 (237.99)	(-) (0.28)
(c) Details of related party transactions		
- Contribution during the year ended 31 March, 2018	(-)	(-)
- Payable as at 31 March, 2018	(-)	(-)

Note: Figures in brackets pertain to the previous year.

- c. The Company has recognised expenses aggregating to Rs. 244.04 lacs (Previous year Rs. 237.99 lacs).

**31 Related party transactions**

a. List of related parties

- (i) Joint Venture  
The Tata Power Company Limited (TPCL)  
Power Grid Corporation of India Limited (PGCIL)
- (ii) Subsidiary of Joint Venture  
Wahyuni Renewable Energy Limited (WREL)  
Mathon Power Limited (MPL)
- (iii) Associate of Joint Venture  
Yashwan Engineering Limited (YEL)
- (iv) Key Management Personnel  
Jayant Tikra- Chief Executive Officer & Executive Director
- (v) Others- Post employment benefit plan  
Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme  
Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme

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Powertek Transmission Limited  
Notes to the financial statements

b. Transactions/balances outstanding with Related Parties

S.No.	Particulars	Joint Venturer			Subsidiary of Joint Venturer			Associate of Joint Venturer			Others- Post employment benefit plan			INR lacs
		(TPCL)	(PGCIL)	Sub total	NPL	WREL	Sub total	YEL	Jayant Tika	Powertek Transmission Limited Group Gratuity Cum Life Assurance Scheme	Powertek Transmission Limited Group Superannuation Cum Life Assurance Scheme	Sub total	Total	
<b>Transactions during the Year</b>														
1	Transmission service charges	-	15,949.41 (14,819.93)	15,949.41 (14,819.93)	-	-	-	-	-	-	-	-	15,949.41 (14,819.93)	
2	Incentive on transmission service charges	-	275.38 (245.98)	275.38 (245.98)	-	-	-	-	-	-	-	-	275.38 (245.98)	
3	Surcharge	-	161.97 (135.51)	161.97 (135.51)	-	-	-	-	-	-	-	-	161.97 (135.51)	
4	Managerial remuneration (see note below)	-	-	-	-	-	-	-	39.09 (94.02)	-	-	-	39.09 (94.02)	
5	Repairs and maintenance - others	-	-	-	-	-	-	(7.27)	-	-	-	-	-	
6	Rebate on transmission charges	-	134.25 (122.78)	134.25 (122.78)	-	-	-	-	-	-	-	-	134.25 (122.78)	
7	System operation charges	-	-	-	-	-	0.00	-	-	-	-	-	-	
8	Reimbursement of expenses by the Company	75.72 (39.28)	68.51 (37.56)	144.23 (76.84)	-	-	(5.19)	-	-	-	-	-	144.23 (82.03)	
9	Reimbursement of expenses to the Company	7.32 (77.03)	67.85 (74.60)	75.17 (151.63)	-	-	0.61	-	-	-	-	-	75.78 (151.63)	
10	Interim Dividend	3,580.20 (3,580.20)	3,439.80 (3,439.80)	7,020.00 (7,020.00)	-	-	-	-	-	-	-	-	7,020.00 (7,020.00)	
11	Final Dividend	477.36 (477.36)	458.64 (458.64)	936.00 (936.00)	-	-	-	-	-	-	-	-	936.00 (936.00)	
12	Contributions to fund-Superannuation	-	-	-	-	-	-	-	-	-	-	27.52 (29.77)	27.52 (29.77)	
13	Contribution to fund-Gratuity	-	-	-	-	-	-	-	-	-	-	9.81 (4.24)	9.81 (4.24)	

Note:

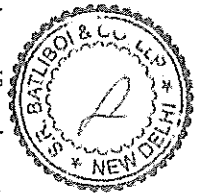
- Managerial remuneration for Mr. Jayant Tika (Chief Executive Officer and Executive Director - Managerial Personnel) excludes provision for leave encashment and gratuity, as separate figures for key managerial personnel is not available.
- Figures in bracket represents figures of corresponding previous period.



Powerlinks Transmission Limited  
Notes to the financial statements

S. No.	Particulars	Joint Venture		Associate of Joint Venture		Others- Post employment benefit plan				INR lacs		
		(TPCL)	(PGCIL)	Sub total	YEL	Jayant Tiku	Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme	Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme	Sub total	Total		
<b>Balances outstanding as at the year end:</b>												
14	Share capital											
	As at 31.03.2018	23,868.00	22,932.00	46,800.00	-	-	-	-	-	-	-	46,800.00
	(As at 31.03.2017)	(23,868.00)	(22,932.00)	(46,800.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(46,800.00)
15	Trade payables											
	As at 31.03.2018	34.05	80.29	114.34	-	-	-	-	-	-	-	120.01
	(As at 31.03.2017)	(-)	(48.89)	(48.89)	(7.85)	(-)	(-)	(-)	(-)	(-)	(-)	(56.74)
16	Advance from customers											
	As at 31.03.2018	-	365.40	365.40	-	-	-	-	-	-	-	365.40
	(As at 31.03.2017)	-	(430.39)	(430.39)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(430.39)
17	Unearned income - to be utilised in future tariff determination											
	As at 31.03.2018	-	270.35	270.35	-	-	-	-	-	-	-	270.35
	(As at 31.03.2017)	(-)	(5,569.91)	(5,569.91)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5,569.91)
18	Trade receivables											
	As at 31.03.2018	-	1,637.91	1,637.91	-	-	-	-	-	-	-	1,637.91
	(As at 31.03.2017)	-	(3,381.51)	(3,381.51)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3,381.51)
19	System operation charges recoverable											
	As at 31.03.2018	-	3.46	3.46	-	-	-	-	-	-	-	3.46
	(As at 31.03.2017)	(-)	(3.48)	(3.48)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.48)
20	Advance to vendors											
	As at 31.03.2018	-	-	-	-	-	-	-	-	-	-	-
	(As at 31.03.2017)	(-)	(-)	(-)	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)
21	Unbilled revenue											
	As at 31.03.2018	-	2,197.28	2,197.28	-	-	-	-	-	-	-	2,197.28
	(As at 31.03.2017)	(-)	(2,485.64)	(2,485.64)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,485.64)

Note: Figures in bracket represents figures of corresponding previous period.





**Note 32: Employee benefits plan**

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds.

For defined contribution schemes the amount charged to the Statement of Profit and Loss is the total of contributions payable in the year.

**a. Defined contribution plan**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employee Provident Fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits and recognised such contribution and shortfall, if any, as an expense in the year it is incurred.

The Company recognised Rs. 56.10 lacs (Previous year Rs. 57.50 lacs) for Superannuation and provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme. As at 31 March, 2018, contribution of Rs. 4.55 lacs (as at 31 March, 2017 Rs. 5.95 lacs) representing amount payable to the Employee Provident Fund in respect of FY 2017-18 (FY 2016-17) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of respective reporting periods.

**b. Defined benefit plan and other Post employment medical benefits plans**

**a) Post employment Medical benefit:**

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

**b) Gratuity Scheme**

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of specified no. of day's salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years' service. The Company contributes to funds administered by Life Insurance Corporation of India.

**Risks associated with Plan Provisions**

Risks associated with the plan provisions are actuarial risks. These risks are - (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk (discount rate risk)	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. Indian Assured Lives Mortality (2006-08) ultimate table has been used in respect of the above. A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumption in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2018 by Mr. Kulin Patel, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**Principal actuarial assumptions:**

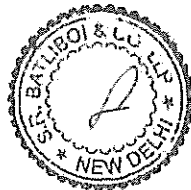
S. No.	Particulars	Refer note below	Year ended 31st March 2018 Gratuity scheme (Funded)	Year ended 31st March 2018 PRMB scheme	Year ended 31st March 2017 Gratuity Scheme (Funded)	Year ended 31st March 2017 PRMB Scheme
i.	Discount rate (p.a.)	1	7.70%	7.70%	6.75%	-
ii.	Expected rate of return on assets	2	7.70%	-	8.25%	-
iii.	Salary escalation rate (p.a.)	3	7.00%	-	8.00%	-
iv.	Expected rate(s) of medical inflation	-	-	8.00%	-	-

**Notes**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Demographic assumptions:**

S. No.	Particulars	31st March 2018	31st March 2017
1	Retirement age	60 Years	60 Years
2	Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ult.	Indian Assured Lives Mortality (2006-08) modified Ult.
3	Withdrawal rate (for all ages)	Age 21-44 years-2.50% 45 Years and above- 1%	5.71%



The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

**L. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefits plans are as follows:**

S. No.	Particulars	Year ended 31st March 2018	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2017
		Gratuity scheme (Funded)	Post Retirement Medical Benefit	Gratuity scheme (Funded)	Post Retirement Medical Benefit
		(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
A	Current service cost	11.77	16.37	10.97	-
B	Net interest expenses	(0.50)	0.53	0.72	-
Components of defined benefit costs recognised in Statement of Profit or Loss		11.27	16.90	11.69	-

**ii. Remeasurement on the net defined benefit liability:**

S. No.	Particulars	Year ended 31st March 2018	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2017
		Gratuity scheme (Funded)	Post Retirement Medical Benefit	Gratuity scheme (Funded)	Post Retirement Medical Benefit
		(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
A	Actuarial (gains)/losses due to change in demographic assumptions	4.07	3.99	2.11	-
B	Actuarial (gains)/losses due to change in financial assumptions	(17.52)	-	(6.53)	-
C	Actuarial (gains)/losses due to change in experience variance	10.49	(7.93)	(12.15)	-
D	Return on plan assets	(0.16)	-	(1.28)	-
Component of defined benefit costs recognised in Other Comprehensive Income		26.59	(3.94)	(17.65)	-

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability is included in the other comprehensive income.

**iii. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefits plans are as follows:**

S. No.	Particulars	Gratuity Scheme (Funded)	
		As at 31st March 2018	As at 31st March 2017
		(Rs in Lacs)	(Rs in Lacs)
A	Present value of defined benefit obligation	176.69	134.55
B	Fair value of plan assets	146.15	141.88
Funded status surplus/(deficit)		(30.54)	7.33

**Post retirement medical benefits**

S. No.	Particulars	As at 31st March 2018	As at 31st March 2017
		(Rs in Lacs)	(Rs in Lacs)
A	Present value of defined benefit obligation	(12.95)	-
Net defined benefit asset/(liability)		(12.95)	-

**iv. Movement in the fair value of the defined benefit obligation:**

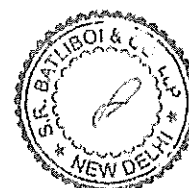
S. No.	Particulars	Gratuity Scheme (Funded)	
		Year ended 31st March 2018	Year ended 31st March 2017
		(Rs in Lacs)	(Rs in Lacs)
A	Opening defined benefit obligation	134.56	78.17
B	Current service cost	11.77	10.97
C	Interest cost	8.90	6.02
D	Actuarial (gain)/loss on obligation	26.95	(16.37)
E	Benefits paid	(5.49)	(11.16)
F	Acquisition adjustment	-	65.92
Closing defined benefit obligations		176.69	134.55

**v. Movement in the fair value of the plan assets are as follows:**

S. No.	Particulars	Gratuity Scheme (Funded)	
		Year ended 31st March 2018	Year ended 31st March 2017
		(Rs in Lacs)	(Rs in Lacs)
A	Opening fair value of plan assets	141.88	68.83
B	Actual return on plan assets	9.40	5.30
C	Employer's contributions	-	4.24
D	Acquisition adjustment	-	66.08
E	Benefits paid	(5.49)	(3.85)
F	Actuarial gain / (loss)	0.36	1.23
Closing fair value of plan assets		146.15	141.88

The plan assets of the Company managed through a trust are managed by Life Insurance Corporation ("LIC") of India. The details of investments relating to these assets are not shown by LIC. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

The Company expects to make a contribution of Rs. 30.53 lacs (as at 31 March, 2017: Rs. 1.39 lacs) to the defined benefit plan during the next financial year.



vi Movement in the fair value of the defined benefit obligation:

S.No.	Particulars	Post retirement medical benefits	
		Year ended 31st March 2018 (Rs in Lacs)	Year ended 31st March 2017 (Rs in Lacs)
A.	Opening defined benefit obligation	-	-
B	Current service cost	(16.37)	-
C	Interest cost	(0.53)	-
D	Actuarial (gain)/loss on obligation	3.94	-
E	Benefits paid	-	-
F	Acquisition adjustment	-	-
		<u>(12.96)</u>	-

vii Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Increase in assumption		Decrease in assumption			
	Gratuity scheme (Funded)	PRMB Scheme	Gratuity scheme (Funded)	PRMB Scheme	Gratuity scheme (Funded)	
	As at 31st March 2018 (Rs in Lacs)		As at 31st March 2018 (Rs in Lacs)		As at 31st March 2017 (Rs in Lacs)	
	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	Decrease in assumption	Increase in assumption
Discount Rate (-/+0.5%) (% change compared to base due to sensitivity)	(3.65) 2.06%	(1.37) 10.57%	3.96 2.24%	1.59 12.28%	4.25 3.00%	(3.70) (3.00%)
Salary Growth Rate (-/+0.5%) (% change compared to base due to sensitivity)	3.97 2.25%	-	(3.68) 2.08%	-	(3.69) (3.00%)	4.16 3.00%
Attrition Rate (-/+ 5% of attrition rates) (% change compared to base due to sensitivity)	1.11 0.63%	(4.83) 37.22%	-	-	1.06 1.00%	(0.76) (1.00%)
Mortality Rate (+/- 1 year) (% change compared to base due to sensitivity)	-	0.61 4.72%	-	(0.56) 4.32%	0.00 0.00%	(0.02) 0.00%
Medical inflation rate (+/- 0.5%)	-	1.55 11.97%	-	(1.35) 10.42%	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognized in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

viii. The expected maturity analysis of defined benefit obligation is as follows:

Expected cash flows over the next	Year ended 31st March 2018	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2017
	Gratuity scheme (Funded) Rs in lacs	Post Retirement Medical Benefit Rs in lacs	Gratuity scheme (Funded) Rs in lacs	Post Retirement Medical Benefit Rs in lacs
1 year	125.87	0.04	55.78	-
2 to 5 years	29.65	0.84	34.32	-
6 to 10 years	57.85	2.19	35.95	-
More than 10 years	-	-	100.87	-

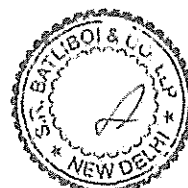
The average duration of the defined benefit plan obligation at the end of the reporting period is 8.10 years. (31 March, 2017: 6 years)

viii. Actuarial assumptions for compensated absences

S. No.	Particulars	Refer note below	As at 31st March 2018	As at 31st March 2017
i	Discount rate (p.a.)	1	7.70%	6.75%
ii	Expected rate of return on assets (p.a.)	3	-	-
ii	Salary escalation rate (p.a.)	3	7.00%	8.00%

Notes

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The compensated absences plan is unfunded.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors



POWERLINKS TRANSMISSION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

33. Financial Instruments

33.1 Fair value measurement:

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

(All amounts in Rs. Lacs)

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Service concession arrangement-Non Current	-	-	83,878.65	83,878.65	83,878.65
Other financial assets-Non Current	-	-	36.88	36.88	36.88
Cash and cash equivalents	-	-	1,566.08	1,566.08	1,566.08
Other bank balances	-	-	4,909.57	4,909.57	4,909.57
Investments	12,086.03	-	-	12,086.03	12,086.03
Trade receivables	-	-	1,651.76	1,651.76	1,651.76
Unbilled revenues	-	-	2,197.28	2,197.28	2,197.28
Service concession arrangement- Current	-	-	6,248.13	6,248.13	6,248.13
Other financial assets- Current	-	-	147.80	147.80	147.80
<b>Total</b>	<b>12,086.03</b>	<b>-</b>	<b>1,00,636.15</b>	<b>1,12,722.18</b>	<b>1,12,722.18</b>
<b>Liabilities:</b>					
Borrowing- Non Current	-	-	-	-	-
Trade payables	-	-	644.05	644.05	644.05
Other financial liabilities- Current	-	-	16,591.08	16,591.08	16,591.08
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,235.13</b>	<b>17,235.13</b>	<b>(17,235.13)</b>

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>					
Service concession arrangement-Non Current	-	-	90,360.75	90,360.75	90,360.75
Other financial assets-Non Current	-	-	37.01	37.01	37.01
Cash and cash equivalents	-	-	8.43	8.43	8.43
Other bank balances	-	-	5,193.95	5,193.95	5,193.95
Investments	9,556.44	-	-	9,556.44	9,556.44
Trade receivables	-	-	3,381.51	3,381.51	3,381.51
Unbilled revenues	-	-	2,485.64	2,485.64	2,485.64
Service concession arrangement- Current	-	-	5,568.82	5,568.82	5,568.82
Other financial assets- Current	-	-	175.99	175.99	175.99
<b>Total</b>	<b>9,556.44</b>	<b>-</b>	<b>1,07,212.10</b>	<b>1,16,768.54</b>	<b>1,16,768.54</b>
<b>Liabilities:</b>					
Borrowing- Non Current	-	-	15,663.90	15,663.90	15,663.90
Trade payables	-	-	373.72	373.72	373.72
Other financial liabilities- Current	-	-	11,502.28	11,502.28	11,502.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27,539.90</b>	<b>27,539.90</b>	<b>(27,539.90)</b>

The management of the company consider that the carrying amount of the financial asset & financial liabilities at amortized cost approximate their fair value.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at a fair value on a recurring basis (but fair value disclosures are required)

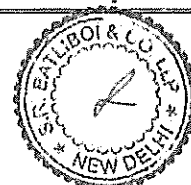
33.2 The following table summarises financial assets and liabilities measured at fair value on a recurring basis;

As at March 31, 2018

	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual fund Investment	12,086.03	-	-	12,086.03
<b>Total</b>	<b>12,086.03</b>	<b>-</b>	<b>-</b>	<b>12,086.03</b>

As at March 31, 2017

	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Mutual fund Investment	9,556.44	-	-	9,556.44
<b>Total</b>	<b>9,556.44</b>	<b>-</b>	<b>-</b>	<b>9,556.44</b>



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**33.3 Capital Management**

For the purpose of the Company's capital management, capital structure of the company consists of net debt (borrowings as detailed below offset by cash and bank balances as detailed below) and total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholder through optimisation of debt and equity balance.

The management reviews the capital structure of the Company on a quarterly basis. As part of this review, the management considers cost of capital and the risks associated with each class of capital. The Company monitors capital using gearing ratio, which is net debt divided by total equity. The Company's policy is to keep the gearing ratio between 10% and 20%.

**33.4 Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

(All amounts in Rs. Laacs)

	As at 31st March 2018	As at 31st March 2017
Debt (i)	15,687.36	20,858.48
Cash and bank balances (ii)	(6,475.65)	(5,302.58)
Net debt	9,211.71	15,656.10
Total Equity	86,297.46	83,407.19
Net debt to equity ratio (%)	10.67	18.77

**Note**

(i) Debt is defined as long term and short term borrowings as described in note 14 and 18.

(ii) Cash and bank balances is defined as cash and cash equivalents and bank balances other than cash and cash equivalents as described in note 10 and 11.

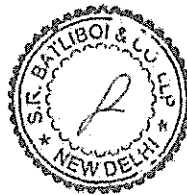
**33.5 Financial risk management**

The Company's activities expose it to a variety of financial risks which includes market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised below.

**(i) Market risk**

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The Company's activities expose it primarily to price risk [see note (ia) below]. Company do not have any currency risk as there is no currency other than reporting currency involved. Further since company has only fixed interest rate bearing borrowings thus there is no risk to the company on account of fluctuation of interest rate. Financial instruments affected by market risk are FVTPL investments.



**POWERLINKS TRANSMISSION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(in) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held.

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

Particulars	As at	As at
	31st March 2018	31st March 2017
	INR Lacs	INR Lacs
Investments in mutual funds	12,086.03	9,556.44

Price Sensitivity

For the year ended 31 March, 2018 and 31 March, 2017, every 0.50 percentage increase / decrease in the NAV of investments, will affect the Company's profit before tax by Rs. 60.43 lacs and Rs. 47.78 lacs, respectively.

(ii) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company had entered into a Transmission Agreement (Refer Note 3) with POWERGRID, whereby the Company earns revenue significantly from one customer, i.e. POWERGRID. In respect of trade and other receivables and other non current assets, there are no indicators as at the year end that defaults in payment obligation will occur.

(iii) Liquidity risk management

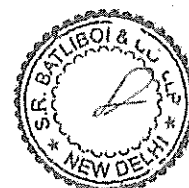
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows. The Company generates sufficient cash flows from current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. Below note sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

Expected maturity for financial liabilities	0-1 year	1-5 years	5+ years	Total
<b>31 March, 2018</b>				
Borrowings	-	-	-	-
Trade payables	644.05	-	-	644.05
Other financial liabilities*	17,532.54	-	-	17,532.54
<b>Total</b>	<b>18,176.59</b>	<b>-</b>	<b>-</b>	<b>18,176.59</b>
<b>31 March, 2017</b>				
Borrowings*	-	16,267.52	-	16,267.52
Trade payables	398.98	-	-	398.98
Other financial liabilities*	13,498.31	-	-	13,498.31
<b>Total</b>	<b>13,897.29</b>	<b>16,267.52</b>	<b>-</b>	<b>30,164.81</b>

\* Includes undiscounted interest

33.6 Financing facilities	As at	As at
	31st March 2018	31st March 2017
	INR lacs	INR lacs
Unsecured bank overdraft, reviewed annually and payable at call:		
- amount used	-	-
- amount unused	400	400
Secured bank loan facilities with various maturity dates through to March 31, 2019		
- amount used	5,187	10,358
- amount unused	-	-
Unsecured debentures- Bullet Repayment as on February 9, 2019		
- amount used	10,500	10,500
- amount unused	-	-

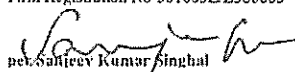


34 Approval of financial statements

The financial statements for the period ended March 31, 2018 were approved by the Board of Directors and authorised for issue on April 19, 2018

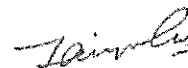
As per our report of even date

For S.R.Batliloi & Co. LLP  
Chartered Accountants  
Firm Registration No-301003E/E300005

  
rajeev kumar singhal  
Partner  
Membership No: 95377

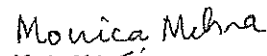
For and on behalf of the Board of Directors

  
Sanjeev Mehra  
Director



Jayant Tiku  
Chief Executive Officer  
& Executive Director

  
Gajendra Bhardwaj  
Chief Financial Officer

  
Monica Mehra  
Company Secretary

Place: New Delhi  
Date: 19/04/2018



Place: Gurugram  
Date: 19/04/2018

Place: Gurugram  
Date: 19/04/2018

