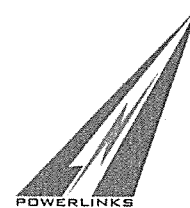


POWERLINKS TRANSMISSION LIMITED.

(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 Eighteenth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March 2019.

1. FINANCIAL RESULTS

Figures in Rs crore

	FY19	FY18
(a) Revenue from Operations	146.14	161.23
(b) Other Income	9.43	12.68
(c) Total income	155.57	173.91
(d) Total Expenditure	27.39	35.13
(e) Profit before Tax	128.18	138.77
(f) Tax Expenses	15.61	13.93
(g) Net Profit/(Loss) after Tax	112.57	124.84

2. DIVIDEND

The Directors are pleased to recommend final dividend of 8% (Re 0.80 per share of Rs. 10 each) amounting to Rs. 37.44 crore for FY19 subject to approval of Members. The Board has declared an interim dividend @ 7% amounting to Rs. 32.76 crore in March 2019. Thus, the aggregate dividend is 15% (Rs. 1.50 per share of Rs 10 each) amounting to Rs.70.20 crore for FY19 (Rs. 88.92 crore for FY18).

3. STATE OF COMPANY'S AFFAIRS

FINANCIAL AND OPERATIONAL PERFORMANCE

- Financial

Operating Revenue

The *Operating Revenue* was at Rs 128.48 crore in FY19 as against Rs 143.01 crore in FY18.

Registered & Corporate Office:

10th 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

Other Income

Other income is Rs 9.43 crore in FY19 as against Rs 12.68 crore in FY18, a decrease of 25%. The decrease in other income is mainly due to lower surcharge recovery by Rs 0.70 crore and last year there was interest on income tax refund of Rs 0.95 crore and due to lower investment income on surplus funds.

Earnings per share

During FY19, earning per share was at Rs 2.41 as against Rs 2.66 in the previous year.

- Operations

The average availability of transmission line was maintained at 99.97% for Eastern Region and 99.96% for Northern Region during FY19 as against minimum stipulated availability of 98%

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. 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, 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 FY19.

7. SHARE CAPITAL

The paid-up share capital of the Company as on 31st March 2019 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

i. Change in Board Composition

Mr Jayant Tiku resigned as CEO & Executive Director effective close of business hours on 31st December 2018. The Board has placed on record its deep sense of appreciation of the valuable contribution made by Mr Tiku during his tenure.

On the recommendation of the Nomination & Remuneration Committee (NRC), Mr. Yogesh Kumar Luthra was appointed as an Additional Director of the Company w.e.f 1st January 2019 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. Mr. Yogesh Kumar Luthra 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. Yogesh Kumar Luthra's appointment as Director. Mr. Yogesh Kumar Luthra was also appointed as CEO & Executive Director of the Company for the period commencing from 1st January 2019 to 31st October 2020. His appointment and the terms and conditions of his appointment including remuneration payable to him, require approval of the Members at the ensuing AGM.

Mr I S Jha resigned as Non-Executive Director and Chairman on 21st January 2019 after his resignation from Powergrid consequent on his appointment as Member, Central Electricity Regulatory Commission (CERC). The Board has placed on record its deep sense of appreciation of the valuable contribution, unstinted support and guidance provided by Mr Jha during his tenure.

On the recommendation of the Nomination & Remuneration Committee (NRC), Mr. Ravi P Singh was appointed as an Additional Director of the Company w.e.f 22nd January 2019 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. Mr Singh holds office only upto the date of forthcoming AGM. His appointment requires approval of the Members at the ensuing AGM. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr Singh's appointment as Director.

Mr Sanjeev Mehra had resigned w.e.f 21st June 2018 and his resignation was informed to the Members in the previous Board Report.

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.

In accordance with the requirements of the Act, Mr Ajay Kapoor, 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.

ii. The Policy on appointment of directors

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

iii. Number of Board Meetings

Six 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:

19th April 2018, 19th July 2018, 16th October 2018, 8th November 2018, 15th January 2019 and 29th March 2019.

Details of meeting attended by the Directors are given below:

Name of the Director	Designation	No. of Board Meetings attended during the year 2018-19
Mr Ravi P Singh	Chairman*	1
Mr. I S Jha	Chairman^	4
Mr Minesh S Dave	Director	2
Mr. Sanjeev Mehra	Director@	1
Mr. Ajay Kapoor	Director	6
Mr. K S R Murty	Director	6
Mrs. Rita Sinha	Independent Director	5
Mr. D Diptivilasa	Independent Director	6
Mrs Novel S Lavasa	Independent Director	6
Mr. Jayant Tiku	CEO& Executive Director#	3
Mr Yogesh K Luthra	CEO& Executive Director&	2

*Appointed w.e.f 22nd January 2019 as Additional Director and attended all meetings post appointment.

^Resigned w.e.f 21st January 2019

@ Resigned w.e.f 21st June 2018, before previous AGM

#Resigned w.e.f 31st December 2018

& Appointed w.e.f 1st January 2019 as Additional Director and attended all meetings post appointment

iv. Meeting of Independent Directors

During the year, the Independent Directors met on 29th March 2019 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.

v. Key Managerial Personnel

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

Mr Yogesh K Luthra, CEO & Executive Director w.e.f 1st January 2019
Mr. Jayant Tiku, CEO & Executive Director upto 31st December 2018
Mr. Kapil Gupta, Chief Financial Officer w.e.f 22nd January 2019
Mr. Gajendra Bhardwaj, Chief Financial Officer upto 17th January 2019
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

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

18th April 2018, 16th July 2018, 15th Oct 2018 and 14th January 2019.

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

Name of the Director	No. of Meetings attended during the year 2018-19
Mr. Ajay Kapoor	4
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:

Sl. No.	Name of the Director	Category
1	Mr. Minesh S Dave, Chairman	Non-Executive Director
2	Mr. Ravi P Singh [#]	
3	Mrs. Rita Sinha	Non-Executive

4	Mr. D Diptivilasa	Independent Director
---	-------------------	----------------------

W.e.f 22nd January 2019

One meeting of Nomination & Remuneration Committee were held during the year on 8th November 2018.

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

Name of the Director	No. of Meetings attended during 2018-19
Mr Minesh S Dave	0
Mr I S Jha*	1
Mr Ravi P Singh#	0
Mrs. Rita Sinha	1
Mr D Diptivilasa	1

*upto 21st January 2019.

w.e.f 22nd January 2019

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:

Sl. No.	Name of the Director	Category
1	Mrs Rita Sinha, Chairperson	Non-Executive Independent Director
2	Mr Ajay Kapoor	Non-Executive Director
3	Mr Yogesh K Luthra	CEO & Executive Director ^{&}

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

15th June 2018, 15th Oct 2018 and 14th January 2019.

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

Name of the Director	No. of Meetings attended during the year 2018-19
Mr Sanjeev Mehra ^{&}	1

Mrs. Rita Sinha	3
Mr. Jayant Tiku*	2
Mr Ajay Kapoor	2
Mr Yogesh K Luthra^	1

& upto 21st June 2018

* upto 31st December 2018

^ W.e.f 8th January 2019

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 issue of transmission majoration factor and its impact to review the continuation of transmission majoration factor for subsequent years.

CERC, thereafter, notified draft amendment to CERC Tariff Regulations, 2014 abolishing the continuation of transmission majoration factor for the Company. The Company objecting to such amendment, had filed detailed comments and presented the same before CERC during public hearing held on 8th August 2017. CERC, vide its amendment notified on 30th January 2019, confirmed admissibility of transmission majoration factor to PTL for a period of 25 years from the date of issue of the transmission license.

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 Mazars as Internal Auditors.

15. SUSTAINABILITY

The Company has adopted Integrated Management System comprising of Quality Management System ISO 9001:2008, Environment Management System (ISO 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	FY19	FY18
1	No. of Mock Drills	19	16
2	Evaluation of personal protective equipment	31	28
3	Inspection of first aid boxes	34	34

The Company had one fatal case of accident due to fall from height and one first aid case. Due compensation was made to the deceased's kin. Total Injuries Frequency Rate per million man hours (TIFR) was 8.64.

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 FY19, 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 employer 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 last tranche of term loans taken from Financial Institutions have been repaid in January 2019 and the unsecured Non-convertible Debentures for Rs 105 crore issued by the Company have been repaid in February 2019. The Debentures had been issued on private placement basis at a coupon rate of 7.60% were listed on National Stock Exchange. The Debenture trustees have been 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 for Financial Year Ended 31.03.2019.

22. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Rs crore	
	FY19	FY18
Foreign Exchange Outflow mainly on account of:		

<i>Interest on foreign currency borrowings, NRI dividends</i>	<i>0.00</i>	<i>0.00</i>
<i>Management Fees for International Finance Corporation loan</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 forming part of this report.

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 party 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 other investments are provided in the schedules to the financial statements.

28. ANNUAL RETURN

In compliance to the provisions of the MCA notification dated 31st July, 2018 the copy / extract of annual return referred to in sub-section (3) of section 92 can be accessed at [https://www.powerlinks.co.in/pdf/Extract_of_Annual_Return_Section_92\(3\).pdf](https://www.powerlinks.co.in/pdf/Extract_of_Annual_Return_Section_92(3).pdf)

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 31st March 2019.

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 31st March, 2018, was filed within due date on 16th August, 2018 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 FY19. There have been no qualification in the Secretarial Audit Report for the year under review. Secretarial Audit Report is given as Annexure VIII.

The Company confirms compliance with the requirements of Secretarial Standards 1 and 2.

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 2018-19.

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,

Date: 23.4.2019
Place: Gurgaon

sd/-
Yogesh K Luthra
CEO & Executive Director
DIN: 8261341

sd/-
Ravi P Singh
Director
DIN:5240974
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 employees¹

- 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.

¹ 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-imbursing 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: http://www.powerlinks.co.in/pdf/csrapolicy.pdf</p>
2	Composition of CSR Committee	<p>Mrs. Rita Sinha</p> <p>Mr. Ajay Kapoor</p> <p>Mr. Yogesh K Luthra</p>
3	Average net profit of the company for last three financial years:	As per Annexure '1' to this part
4	Prescribed CSR Expenditure for FY 2018-19	Rs 255 Lakh
5	Details of CSR spent during the financial year:	As follows:
a	Total amount spent for the financial year	Rs 258.65 Lakh
b	Amount unspent, if any	Nil.
c	Manner in which the amount spent during the financial year	Details in Annexure III Part 'B'

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

sd/-

Mr. Yogesh Luthra
 CEO & Executive Director
 DIN: 08261341
 DLF Tower A, District Centre Jasola
 New Delhi- 110025
 Date: 22.4.19

sd/-

Mrs. Rita Sinha
 Chairman of CSR Committee
 DIN: 5169220
 DLF Tower A, District Centre Jasola
 New Delhi- 110025
 Date: 22.4.19

Annexure '1'

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

Financial year ended	Rs Lakh		
	2018	2017	2016
Profit before tax (In Rs.)	13,877.24	12,681.60	11,691.97
Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 (in Rs.)	13,877.24	12,681.60	11,691.97
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.	12,750.27		

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

CSR spend FY 2018-19
(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	CI (ii) promoting education, including special education and employment enhancing skills	Local area, New Delhi	36.00	36.00	36.00	Sarthak Education Trust: 36.00

2	Mid-day meal	Cl (i) eradicating hunger, poverty and malnutrition	Vrindavan, Uttar Pradesh	15.00	15.00	15.00	15.00	Through Ramakrishna Mission Sevashrama 15.00
3	Skill Development: Training & Employability	Cl (ii) promoting education, including special education and employment enhancing skills	Jahangirpuri & Kirti Nagar, New Delhi	27.00	26.99	26.99	26.99	Unnati, 26.99
4	Skill Development: Training & Employability	Cl (ii) promoting education, including special education and employment enhancing skills	Lucknow, U.P.-2 Center	50.00	49.76	49.76	49.76	National Skill Development Corporation- Ministry of Skill Development- 49.76
5	Skill Development: Training & Employability	Cl (ii) promoting education, including special education and	Saharsa, Bihar 2 Center	50.00	49.07	49.07	49.07	National Skill Development Corporation- Ministry of Skill Development 49.07

6	Skill Development: Training & Employability & Women Empowerment	employment enhancing skills	Greater Noida	5.00	5.00	5.00	5.00	Udyaan Care 5.00
6	Health, Education, Livelihoods and Employability Social Capital and Infrastructure & Nurturing Sustainability for Inclusive Growth	CI (i) & (ii) Promoting sanitation, education including special education and employment enhancing vocations skills,	1 Remote Village of Saharsa District Bihar	40.00	40.00	40.00	40.00	Doctors for You -(NGO)

7	Animal Welfare	CI (iv) Animal Welfare	Delhi/ NCR	17.00	17.00	17.00	Sanjay Gandhi Animal Care(SGACC)- Ruth Cowell Foundation 17.00
8	Impact Assessment & Other admin expenses	Impact assessment study for projects FY 2018-19. & other administrative costs	Delhi	15.00	14.15+5.68	19.83	TARI
	Total			255.00	258.65	258.65	

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

Sr. No	Name	Age (Yrs.)	Designation / Nature of Duties	Gross Remuneration (Rs. Lacs)*	Qualification	Total Experience (Yrs.)	Date of Commencement of Employment	Last Employment held and Designation
1	Jayant Tiku	61	CEO & Executive Director	162.91	B. Tech in Electrical Engineering from Delhi College of Engineering and M. Tech in Power Apparatus and Systems from IIT Delhi.	34	1-Feb-2015	The Tata Power Company Ltd., GM

*Gross remuneration comprises salary, allowances, incentive remuneration, monetary value of perquisites, Gratuity and leave encashment.

The nature of employment is contractual.

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/ 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 71.90 lakh	Ratification done by Audit Committee 14 th January 2019, 22 nd April 2019	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 15,058.13 Lakh	Ratification done by Audit Committee 15 th January 2019 & 22 nd April 2019	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 64.02 lakh	Ratification done by Audit Committee 15 th January 2019 & 22 nd April 2019	NIL
The Tata Power Company Ltd (Holding Company)	Inter Corporate Deposit	One day	Rs 10.002 Lakh (including interest)	Ratification done by Audit Committee 22 nd April 2019	NIL
Tata Power Trading Company Ltd (fellow subsidiary)	Inter Corporate Deposit	Upto 21 days	Rs 50.15 lakh (including interest)	Ratification done by Audit Committee 22 nd April 2019	NIL

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2019

[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

10th 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 31st March 2019 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 31st March 2019 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 however the Company has redeemed these debentures on 8th February 2019, and accordingly, letter to this effect had been issued by IDFC First Bank (Security Trustee) dated 08th March 2019.

(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/ etc.

(ii) Redemption / buy-back of securities ***except redemption of debentures.***

(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 – 15/04/2019

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 Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Powerlinks Transmission Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management and those charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including 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;



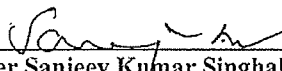
S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 23, 2019

Annexure I referred to in paragraph 1 of under the heading of "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) The Company is generally been regular in depositing with appropriate authorities 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 as applicable to it.
- (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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

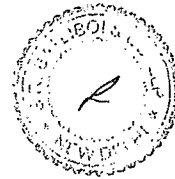
statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (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 Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. lacs)*
The Central Sales Tax Act, 1956	Sales tax	High Court Lucknow	2004-05 to 2007-08	4,545.88
		Additional Commissioner (Appeals) Lucknow	2008-09 to 2010-11	250.46

* Net of Rs Nil paid under protest

- (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.



S.R. BATLIBOI & Co. LLP

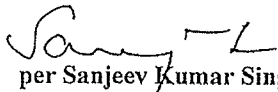
Chartered Accountants

- (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) of the Order are not applicable to the Company and, therefore 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 Singhal
Partner
Membership Number: 095377
Place of Signature: New Delhi
Date: April 23, 2019



**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, 2019 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, 2019, based on the internal control over financial reporting criteria



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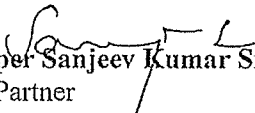
Chartered Accountants

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 Singhal**

Partner

Membership Number: 095377

Place of Signature: New Delhi

Date: April 23, 2019



Powerlinks Transmission Limited
Balance Sheet as at 31 March 2019

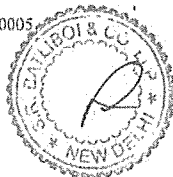
	Notes	As at	
		31 March 2019	31 March 2018
		INR laes	INR laes
Assets			
Non-current assets			
Financial assets			
(i) Service concession arrangement	3	82,705.42	83,878.65
(ii) Other financial assets	4	36.86	36.88
Non-current tax assets (net)	6	925.14	777.28
Other non-current assets	7	114.87	127.28
Deferred tax asset (net)	17	2,031.31	-
Total Non-current assets		85,813.60	84,820.09
Current assets			
Inventories	8	171.20	172.50
Financial assets			
(i) Investments	9	4,403.52	12,086.03
(ii) Trade receivables	10	2,933.20	1,651.76
(iii) Unbilled revenue	5	2,183.56	2,197.28
(iv) Cash and cash equivalents	11	2.45	1,566.08
(v) Other bank balances	12	1,860.79	4,909.57
(vi) Service concession arrangement	3	177.03	6,248.13
(vii) Other financial assets	4	40.73	147.80
Other current assets	7	264.20	36.79
Total Current assets		12,036.68	29,015.94
Total assets		97,850.28	1,13,836.03
Equity and liabilities			
Equity			
Equity share capital	13	46,800.00	46,800.00
Other equity	14	44,540.22	39,497.46
Total equity		91,340.22	86,297.46
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	15	-	-
Provisions	16	236.31	132.16
Deferred tax liabilities (net)	17	-	377.53
Total non-current liabilities		236.31	509.69
Current liabilities			
Financial liabilities			
(i) Trade payables	18	-	-
Total outstanding dues of micro enterprises and small enterprises		15.50	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.		719.61	644.05
		735.11	644.05
(ii) Other financial liabilities	19	486.29	16,591.08
Provisions	16	25.24	9.11
Other current liabilities	20	5,027.11	9,784.64
Total current liabilities		6,273.75	27,028.88
Total liabilities		6,510.06	27,538.57
Total equity and liabilities		97,850.28	1,13,836.03

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-301003F/E300005

per Sanjeev Kumar Singhal
Partner
Membership No: 95377



Place: New Delhi
Date: 23 April 2019

For and on behalf of the Board of Directors

For
Ravi P Singh
Chairman

Kapil Gupta
Chief Financial Officer

Place: Gurugram
Date: 23 April 2019

For
Yogesh Kumar Luthra
Chief Executive Officer
& Executive Director

Monica Mehra
Company Secretary

Place: Gurugram
Date: 23 April 2019



Powerlinks Transmission Limited
Statement of Profit and Loss for the year ended 31 March 2019

	Notes	Year ended 31 March 2019 INR laes	Year ended 31 March 2018 INR laes
Revenue from Operations	21	14,613.97	16,122.75
Other Income	22	943.20	1,267.69
Total Income		15,557.17	17,390.44
Expenses			
Employee benefits expense	23	798.29	754.62
Finance costs	24	972.66	1,691.62
Transmission, administration and other expenses	25	968.17	1,066.96
Total expenses		2,739.12	3,513.20
Profit before tax		12,818.05	13,877.24
Current tax (MAT)	17	3,969.41	4,188.10
Tax for earlier years		-	(32.00)
Deferred tax	17	(2,408.84)	(2,762.61)
Income Tax expense		1,560.57	1,393.49
Profit for the year		11,257.48	12,483.75
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent periods:			
Remeasurement (losses) on defined benefit plans		(10.87)	(22.65)
Income tax effect		2.34	4.83
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods.		(8.53)	(17.82)
Total comprehensive income for the year		11,248.95	12,465.93
Earnings per equity share (Face Value of shares Rs 10 each)			
Basic, computed on the basis of profit attributable to equity holders (in Rs.)	27	2.41	2.66
Diluted, computed on the basis of profit attributable to equity holders (in Rs.)		2.41	2.66

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batlilhoi & Co. LLP
Chartered Accountants
Firm Registration No-3010031E/E300005

per Sanjeev Kumar Singhal
Partner
Membership No: 95377



Place: New Delhi
Date: 23 April 2019

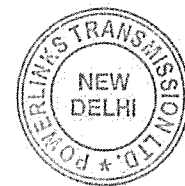
For and on behalf of the Board of Directors

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Ravi P Singh
Chairman
Gandhaa
Kapil Gupta
Chief Financial Officer

Place: Gurugram
Date: 23 April 2019

Yogesh
Yogesh Kumar Luthra
Chief Executive Officer
& Executive Director
Monica Mehra
Monica Mehra
Company Secretary

Place: Gurugram
Date: 23 April 2019




Powerlinks Transmission Limited
Statement of Cash Flows for the year ended 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2018
	INR Laacs	INR Laacs
Operating activities		
Profit before tax	12,818.05	13,877.24
Adjustment to reconcile profit before tax to net cash flows:		
Finance cost	972.66	1,691.62
Interest income -	(441.78)	(636.42)
Change in fair value of mutual fund investments	(501.42)	(631.27)
TDS Receivable written off	22.31	-
Working capital adjustments:		
Decrease in Inventory	1.30	0.05
(Increase) in Trade receivable	(1,281.44)	(3,569.81)
Decrease in Unbilled revenue	13.72	288.36
Decrease in Service Concession Arrangement-Non Current	1,173.23	6,482.11
Decrease/ (Increase) in Service Concession Arrangement-Current	6,071.10	(679.31)
Decrease in Other financial asset- Non current	0.02	0.13
(Increase)/Decrease in Other financial asset- current	(5.80)	0.01
Decrease/ (Increase) in Other Non current assets	12.41	(30.78)
(Increase) in Other current assets	(227.41)	(6.82)
Increase in Trade payable	91.06	270.33
(Decrease)/Increase in Other current liabilities	(257.81)	876.86
Increase/(Decrease) in Short-term provisions	16.13	(25.32)
Increase in Long-term provisions	93.28	23.35
Increase/ (Decrease) in Other Financial Liabilities - Current	191.98	(8.78)
	<u>18,761.59</u>	<u>17,921.55</u>
Income tax paid	(4,137.24)	(5,900.51)
Net cash flows from operating activities	<u>14,624.35</u>	<u>12,021.04</u>
Investing activities		
Purchase of Investment in Mutual funds	(53,033.40)	(53,037.19)
Sale proceeds from investments in mutual Funds	61,217.33	51,138.87
Interest received	554.65	664.60
Proceeds from maturity of fixed deposit	3,048.78	284.38
Net cash flows from/(used in) investing activities	<u>11,787.36</u>	<u>(949.34)</u>
Financing activities		
Finance costs	(1,575.74)	(1,763.80)
Proceeds from Inter-Corporate Deposit	10.00	-
Repayment of Inter-Corporate Deposit	(10.00)	-
Inter-Corporate Deposit given	(5,000.00)	-
Inter-Corporate Deposit received back	5,000.00	-
Repayment of long term borrowings	(15,693.69)	(5,194.58)
Dividends paid	(8,892.00)	(936.00)
Dividend distribution tax	(1,813.91)	(1,619.66)
Net cash flows used in financing activities	<u>(27,975.34)</u>	<u>(9,514.05)</u>
Net decrease in cash and cash equivalents	(1,563.63)	1,557.65
Cash and cash equivalents at the beginning of the year	1,566.08	8.43
Cash and cash equivalents at the year end	<u>2.45</u>	<u>1,566.08</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date

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


per Sanjeev Kumar Singhal
Partner
Membership No-95377



Place: New Delhi
Date: 23 April 2019

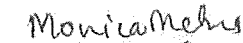
For and on behalf of the Board of Directors


Ravi P. Singh
Chairman


Kapil Gupta
Chief Financial Officer

Place: Gurugram
Date: 23 April 2019


Yogesh Kumar Luthra
Chief Executive Officer
& Executive Director


Monica Mehra
Company Secretary

Place: Gurugram
Date: 23 April 2019



Powerlinks Transmission Limited
Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity share capital

Equity shares of INR 10/- each issued, subscribed, and fully paid.	No. of Shares	Amount in lacs
At 1 April 2017	46,80,00,000	46,800
Issue of equity shares during the Period	-	-
At 31st March 2018	46,80,00,000	46,800
At 1 April 2018	46,80,00,000	46,800
Issue of equity shares during the period	-	-
At 31st March 2019	46,80,00,000	46,800

b. Other Equity

Amount in lacs

For the year ended 31 March 2019

Description	Reserves and Surplus				Total
	General Reserve	Self Insurance Reserve	Debenture Redemption Reserve	Retained Earnings	
Balance as at 01 April 2017 (A)	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/(Expense) for the year (net of tax)	-	-	-	(17.82)	(17.82)
Total Comprehensive Income (B)	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 interim dividends on equity shares	-	-	-	(7,020.00)	(7,020.00)
Less: Dividend distribution tax on interim dividend	-	-	-	(1,429.09)	(1,429.09)
Less: Payment of final dividends on equity shares	-	-	-	(936.00)	(936.00)
Less: Dividend distribution tax on final dividend	-	-	-	(190.57)	(190.57)
Total (C)	-	152.15	682.50	(10,410.31)	(9,575.66)
Balance as at 31 March 2018 (A+B+C)	5,258.00	1,619.36	2,625.00	29,995.10	39,497.46
Balance as at 01 April 2018	5,258.00	1,619.36	2,625.00	29,995.10	39,497.46
Profit for the year	-	-	-	11,257.48	11,257.48
Other Comprehensive Income/(Expense) for the year (net of tax)	-	-	-	(8.53)	(8.53)
Total Comprehensive Income	5,258.00	1,619.36	2,625.00	41,244.05	50,746.41
Transferred to Self Insurance Reserve	-	152.25	-	(152.25)	-
Less: Transfer from debenture redemption reserve to general reserve	2,625.00	-	(2,625.00)	-	-
Less: Payment of final dividends on equity shares	-	-	-	(1,872.00)	(1,872.00)
Less: Dividend distribution tax on final dividend	-	-	-	(384.80)	(384.80)
Less: Payment of interim dividends on equity shares	-	-	-	(3,276.00)	(3,276.00)
Less: Dividend distribution tax on interim dividend	-	-	-	(673.39)	(673.39)
Balance as at 31 March 2019	7,883.00	1,771.61	-	34,885.61	44,540.22

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No-301003E/A300005

per Sanjeev Kumar Singhal
Partner
Membership No: 95377



For and on behalf of the Board of Directors

For
Ravi P Singh
Chairman

For
Kapil Gupta
Chief Financial Officer

For
Yash Kumar Luthra
Chief Executive Officer
& Executive Director

For
Monica Mehra
Company Secretary

Place: New Delhi
Date: 23 April 2019

Place: Gurugram
Date: 23 April 2019

Place: Gurugram
Date: 23 April 2019



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 Kilometres 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 Financials year 2016-17, the company had raised funds of Rs.10,500 Laacs by way of issue of redeemable non-convertible debentures. These debentures are listed on the National Stock Exchange of India Limited. During the Current year the Company has fully repaid these debentures on 8th February 2019 and subsequently these have been delisted from the stock exchange.

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 note no. 2.6)

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 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.

2.4.1 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.

2.4.2 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.



2.5 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.

2.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company entity becomes a party to the contractual provisions of the instruments.

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.

2.7 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.

2.7.1 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.

2.7.2 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.

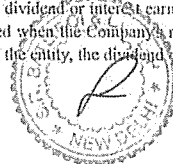
2.7.3 Financial assets at Fair Value Through Profit or Loss (FVTPL)

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.



2.7.4 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.

2.7.5 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, 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.

2.8 Financial liabilities and equity instruments

2.8.1 Classification as debt or equity

Debt and equity instruments issued by the Company 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.

2.8.2 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.

2.8.3 Financial liabilities

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

2.8.3.1 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.

2.8.3.2 Financial liabilities subsequently measured at amortised cost

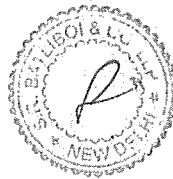
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest 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.

2.8.3.3 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 115 'Revenue'.



2.8.3.4 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.

2.09 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.

2.10 Rounding off policy

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

2.11 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 Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.12 Standard issued but not yet effective

a) Ind AS 116- Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

b) Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

c) Ind AS 109 - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

d) Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

e) Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

2.13 Critical accounting judgement and key sources of estimation uncertainty

2.13.1 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.



Powerlinks Transmission Limited
Notes to the financial statements

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 17

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.

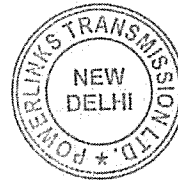
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

The mortality rate is based on publicly available mortality tables

c) Pursuant to application of Ind AS 115, Appendix D "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 22.1, Note 21.4 & Note 3.

d) Estimation of MAT recoverability- Note 17

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 31 March 2019	As at 31 March 2018
	INR lacs	INR lacs
Non-current		
Service concession arrangement	82,705.42	83,878.65
	<u>82,705.42</u>	<u>83,878.65</u>
Current		
Service concession arrangement	177.03	6,248.13
	<u>177.03</u>	<u>6,248.13</u>

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 115, Appendix D "Service Concession Arrangements" the property, plant and equipment of the Company under the previous GAAP have been derecognised and 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 CERC 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 to the Company. The total deferred tax liability recorded as recoverable up till March 31, 2015 was Rs. 12,700 Laacs.

	As at 31 March 2019	As at 31 March 2018
	INR lacs	INR lacs
4. Other financial assets (unsecured, considered good)		
Non-current		
Security deposits	36.86	36.88
	<u>36.86</u>	<u>36.88</u>
Current		
Interest accrued on bank deposits	31.40	144.27
Security deposits	0.07	0.07
Other receivables	9.26	3.46
	<u>40.73</u>	<u>147.80</u>

5. Other financial assets (unsecured, considered good)

Unbilled Revenue	2,183.56	2,197.28
	<u>2,183.56</u>	<u>2,197.28</u>

6. Non-current tax Assets

Tax refund receivable	925.14	777.28
	<u>925.14</u>	<u>777.28</u>



Powerlinks Transmission Limited
Notes to the Financial Statements

	As at 31 March 2019	As at 31 March 2018
	INR lacs	INR lacs
7. Other assets (unsecured, considered good)		
Non-Current		
Balances with government authorities	8.43	8.43
Prepaid expenses	106.44	118.85
	114.87	127.28
Current		
Balances with government authorities	4.04	1.16
Prepaid expenses	20.33	24.05
Advances to vendors	94.24	9.71
Other advances	145.59	1.87
	264.20	36.79

8. Inventories

Accounting Policy

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.

	As at 31 March 2019	As at 31 March 2018
	INR lacs	INR lacs
Stores and spares (lower of cost and net realisable value)	171.20	172.50
	171.20	172.50

The cost of inventories recognised as an expense during the year was Rs 1.30 Lacs (for the year ended 31st March, 2018: Rs 0.15 Lacs)



	As at		As at	
	31 March 2019	31 March 2018	31 March 2018	31 March 2018
	Units	INR lacs	Units	INR lacs
9. Current Investments				
(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
b. Axis Liquid Fund - Growth	-	-	1,30,380.64	2,504.27
c. Invesco India Liquid fund - Growth	-	-	1,05,029.39	2,503.57
d. DHFL Pramerica Insta Cash Fund - Growth	7,84,690.11	1,906.76	8,01,103.64	1,802.44
e. UTI Money Market Fund -Growth	-	-	11,202.03	217.28
f. IDFC Cash Fund - Growth (Regular plan)*	-	-	88,554.47	1,862.67
g. DSP Blackrock Liquidity Fund - Growth*	-	-	27,963.13	691.80
h. Reliance Liquid Fund - Direct - Growth	54,730.49	2,496.76	-	-
Total current investments		4,403.52		12,086.03
Aggregate carrying value of unquoted investments		4,403.52		12,086.03

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. DSP blackrock liquidity fund - growth	-	-	27,963.13	691.80
ii. IDFC cash fund - Growth (Regular plan)	-	-	88,554.47	1,862.67
			1,16,517.60	2,554.47

	As at		As at	
	31 March 2019	31 March 2018	31 March 2018	31 March 2018
	INR lacs	INR lacs	INR lacs	INR lacs
10. Trade Receivables (Unsecured unless otherwise stated)				
Current Trade Receivables				
Considered good		2,933.20		1,651.76
Considered doubtful		-		16.85
		2,933.20		1,668.61
Less: Allowance for doubtful trade receivables		-		16.85
		2,933.20		1,651.76

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 balance.

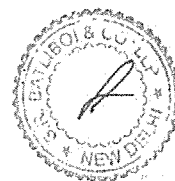
The Company sells its entire transmission capacity to Powergrid in terms of an exclusive Transmission service agreement dated 29 March 2004

Ageing	Expected Credit loss(%)
Within the credit period	0.00%
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	
	31 March 2019 (Rs. / Lacs)	31 March 2018 (Rs. / Lacs)
Within the credit period	791.58	807.57
1-30 days past due	1,167.24	829.44
31-60 days past due	690.26	-
61-90 days past due	98.04	5.90
More than 90 days past due	186.08	8.85
Total	2,933.20	1,651.76

With respect to trade receivables, there are no indicators as on 31 March 2019 for payments in defaults. Accordingly, the Company does not anticipate any expected credit loss.



11. Cash and cash equivalents

Accounting Policy

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

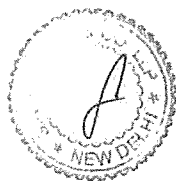
	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Balances with Banks:		
- in current accounts	2.45	318.08
In Deposit Accounts (with original maturity less than three months)	-	1,248.00
Cash and cash equivalents as per balance sheet	2.45	1,566.08
Cash and cash equivalents as per statement of cash flow	2.45	1,566.08

Changes in liabilities from financing activities

	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Opening balance of Non-Current borrowings (including current maturity of non-current borrowings)	15,687.36	20,858.48
Proceeds during the year	-	-
Repayment during the year	(15,693.69)	(5,194.58)
Others	6.33	23.46
Closing balance	-	15,687.36

12. Other bank balances

	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
Balance with banks*	1,860.79	4,909.57
	1,860.79	4,909.57
* Deposits under lien for Debt service reserve account (DSRA) Debt service accrual account (DSAA), insurance reserve and guarantee.	210.79	4,909.57



13 Equity share capital

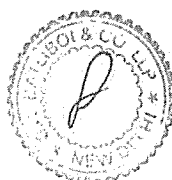
	As at 31st March, 2019		As at 31st March, 2018	
	Number	INR lacs	Number	INR lacs
Authorised share capital				
Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights	48,36,00,000	48,360.00	48,36,00,000	48,360.00
Issued share capital				
Equity shares of Rs. 10 (previous year Rs. 10) each with voting rights	46,80,00,000	46,800.00	46,80,00,000	46,800.00
Subscribed and fully paid up				
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
		46,800.00		46,800.00

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, 2019		As at 31st March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
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	
	46,80,00,000	100.00	46,80,00,000	100.00



	As at	As at
	31st March, 2019	31st March, 2018
	INR lacs	INR lacs
14. Other Equity		
14.1 General Reserve		
Balance at the beginning of the year		
Add: Amount transferred from debenture redemption reserve*	5,258.00	5,258.00
Balance at the end of the year (A)	7,883.00	5,258.00

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.

14.2 Debenture Redemption Reserve		
Balance at the beginning of the year	2,625.00	1,942.50
Less: Amount transferred to General Reserve*	(2,625.00)	682.50
Balance at the end of the year (B)	-	2,625.00

*Note: As per Section 71(4) of the Companies Act, 2013, a Company had created a Debenture Redemption Reserve for the redemption of debentures. An amount of Rs 2,625.00 Lacs had been transferred to the Debenture redemption reserve in previous year from surplus in statement of Profit and Loss. During the year the Company has redeemed its debenture fully on 8th February 2019, accordingly balance in debenture redemption reserve has been transferred to General Reserve.

14.3 Self insurance reserve		
Balance at the beginning of the year		
Add: Amount transferred from retained earnings	1,619.36	1,467.21
Balance at the end of the year (C)	1,771.61	1,619.36

Self insurance reserve is created at the rate of 0.10% per annum on gross block of Transmission Assets (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.

14.4 Retained Earnings		
Balance at the beginning of the year		
Add: Other comprehensive income/(expense) arising from rereasurement of defined benefit obligation (net of tax)	29,995.10	27,939.48
Profit for the period/year	(8.53)	(17.82)
	11,257.48	12,483.75
Less: - Payment of interim dividends on equity shares		
- Payment of final dividends on equity shares	3,276.00	7,020.00
- Dividend distribution tax on interim Dividend	1,872.00	936.00
- Dividend distribution tax on final dividend	673.39	1,429.09
- Transfer to Debenture redemption reserve	384.80	190.57
- Transferred to self insurance reserve		682.50
	152.25	152.15
Balance at the end of the year (D)	4,890.51	2,055.62
	34,885.61	29,995.10
Total (A+B+C+D)	44,540.22	39,497.46

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. Detail of dividend paid are as follows:

Dividend Particulars	31 March 2019
Cash dividend on equity shares declared and paid	
Final dividend for the year ended March 31, 2018 (Rs. 0.40 per share)	1,872.00
Interim dividend for the year ended March 31, 2019 (Rs. 0.70 per share)	3,276.00
Dividend distribution tax on above	1,058.19
	6,206.19
Particulars	31 March 2018
Cash dividend on equity shares declared and paid	
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
	9,575.66

In respect of the year ended 31 March, 2019, the directors in their meeting dated 23 April, 2019 have proposed a final dividend of Rs 0.80 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 3,744.00 Lacs and Rs 769.59 Lacs respectively.



	As at 31st March, 2019 INR lacs	As at 31st March, 2018 INR lacs
15. Non-current Borrowings		
Unsecured - at amortised cost		
Redeemable Non-convertible debentures	-	10,500.00
Less: Current Maturities of long term borrowings	-	(10,500.00)
A	-	-
Secured - at amortised cost		
Term loans from others		
(i) International finance corporation	-	2,745.65
(ii) Asian development bank	-	2,441.72
Less: Current Maturities of long term borrowings	-	(5,187.37)
B	-	-
(A+B)	-	-

**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.

Sl No.	Particulars	Balance as at 31.03.2019 (Rs./ Lacs)	Interest rate p.a	Terms of repayment
1	International Finance Corporation	-	Fixed rate of interest -8.8%	Fully repaid on 15th Jan 2019
2	Asian Development Bank	-	Fixed rate of interest -9.14%	Fully repaid on 15th Jan 2019
3	Debentures	-	Fixed rate of interest -7.60%	Bullet payment done on 8 Feb 2019
		-		
Sl No.	Particulars	Balance as at 31.03.2018 (Rs./ 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 1374.83 Lacs till 15.01.2019
2	Asian Development Bank	2,444.92	Fixed rate of interest -9.14%	Half yearly equal instalments Rs 1222.46 Lacs till 15.01.2019.
3	Debentures	10,500.00	Fixed rate of interest -7.60%	Bullet repayment on 08.02.2019
		<u>15,694.59</u>		

16. Provisions

Accounting Policy

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 Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

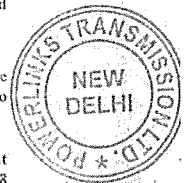
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle 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.

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.

	As at 31st March, 2019 INR lacs	As at 31st March, 2018 INR lacs
Non-current		
Provision for Employee Benefits		
(i) Compensated absences	79.87	78.01
(ii) Gratuity (Net)	90.59	30.53
(iii) Post-retirement defined benefit plan	41.25	12.91
(iv) Other employee benefits	24.60	10.71
	<u>236.31</u>	<u>132.16</u>
Current		
Provision for Employee Benefits		
(i) Compensated absences	18.60	7.57
(ii) Post-retirement defined benefit plan	4.75	0.05
(iii) Other employee benefits	1.89	1.19
	<u>25.24</u>	<u>9.11</u>



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

16.1 The Company participates in defined contribution and benefit schemes, the assets of which are held (where founded) 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.

16.2 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 Employees 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. 49.68 lacs (Previous year Rs. 56.10 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, 2019, contribution of Rs. 6.78 lacs (as at 31 March, 2018 Rs. 4.56 lacs) representing amount payable to the Employee Provident Fund in respect of FY 2018-19 (FY 2017-18) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of respective reporting periods.

16.3 Defined benefit plan

The company operates the following funded defined benefit plans:

a) 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.

The company operates the following unfunded defined benefit plans:

Post Employment Medical Benefits

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.

Ex-Gratia Death Benefits

The company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of pre-determined lumpsum amount along with a sum determined based on the last drawn basic salary per month and the length of service

Retirement Gift

The company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of employee.

Pension

The company has a defined benefit plan granting a pre-determined sum as a pension after completing vesting period.

16.4 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, 2019 by Mr. Kulju 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.

16.5 Principal actuarial assumptions:

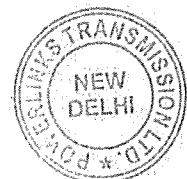
S. No.	Particulars	Refer note below	Year ended 31st March 2019 Gratuity scheme (Funded)	Year ended 31st March 2019 Post retirement defined benefit plan(Non Funded)	Year ended 31st March 2018 Gratuity Scheme (Funded)	Year ended 31st March 2018 Post retirement defined benefit plan(Non Funded)
i.	Discount rate (p.a.)	1	7.40%	7.40%	7.70%	7.70%
ii.	Expected rate of return on assets (p.a.)	2	7.40%		7.70%	
iii.	Salary escalation rate (p.a.)	3	7.00%	Management- 7%, Non-Management-5%	7.00%	
iv.	Expected rate(s) of medical inflation	4		8.00%		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 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.

16.6 Demographic assumptions:

S. No.	Particulars	31st March 2019	31st March 2018
1	Retirement age	60 Years	60 Years
2	Mortality Table	Indian Assured Lives Mortality (2006-08) modified UIt.	Indian Assured Lives Mortality (2006-08) modified UIt.
3	Withdrawal rate (for all ages)	Age 21-44 years-2.50% 45 Years and above- 1%	Age 21-44 years-2.50% 45 Years and above- 1%



16.6.1 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 2019	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2018
		Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)
		(Rs.in Laacs)	(Rs.in Laacs)	(Rs.in Laacs)	(Rs.in Laacs)
A	Current service cost	21.67	36.76	11.77	16.37
B	Net interest expenses	2.24	2.64	(0.50)	0.53
C	Other adjustment				
Components of defined benefit costs recognised in Statement of Profit or Loss		23.91	29.40	11.27	16.99

16.6.2 Remeasurement on the net defined benefit liability:

S. No.	Particulars	Year ended 31st March 2019	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2018
		Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)
		(Rs.in Laacs)	(Rs.in Laacs)	(Rs.in Laacs)	(Rs.in Laacs)
A	Actuarial (gains)/losses due to change in demographic assumptions		-	4.07	3.99
B	Actuarial (gains)/losses due to change in financial assumptions	4.67	1.15	(17.52)	-
C	Actuarial (gains)/losses due to change in experience variance	12.05	2.34	40.40	(7.93)
D	Return on plan assets	(9.34)	-	(0.36)	-
Component of defined benefit costs recognised in Other Comprehensive Income		7.38	3.49	26.59	(3.94)

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.

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

S. No.	Particulars	Gratuity Scheme (Funded)	
		As at 31.03.2019	As at 31.03.2018
		(Rs. / Laacs)	(Rs. / Laacs)
A	Present value of defined benefit obligation	174.15	176.69
B	Fair value of plan assets	83.56	146.16
Funded status (deficit)		(90.59)	(30.53)

S. No.	Particulars	Post retirement defined benefit plan(Non Funded)	
		As at 31.03.2019	As at 31.03.2018
		(Rs in Laacs)	(Rs in Laacs)
A	Present value of defined benefit obligation	(46.00)	(12.96)
Net defined benefit asset/(liability)		(46.00)	(12.96)

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

S. No.	Particulars	Gratuity Scheme (Funded)	
		Year ended 31.03.2019	Year ended 31.03.2018
		(Rs. / Laacs)	(Rs. / Laacs)
A.	Opening defined benefit obligation	176.69	134.56
B	Current service cost	21.67	11.77
C	Interest cost	10.41	8.90
D	Actuarial (gain)/loss on obligation	16.73	26.95
E	Benefits paid	(94.96)	(5.49)
F	Acquisition adjustment	43.55	-
Closing defined benefit obligations (A+B+C+D+E+F)		174.15	176.69

16.6.5 Movement in the fair value of the plan assets are as follows:

S. No.	Particulars	Gratuity Scheme (Funded)	
		Year ended 31.03.2019	Year ended 31.03.2018
		(Rs. / Laacs)	(Rs. / Laacs)
A	Opening fair value of plan assets	146.16	141.88
B	Actual return on plan assets	6.17	9.40
C	Employer's contributions	-	-
D	Acquisition adjustment	-	-
E	Benefits paid	(60.12)	(5.48)
F	Actuarial gain / (loss)	9.35	0.36
Closing fair value of plan assets (A+B+C+D+E+F)		83.56	146.16

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. 90.59 laacs (as at 31 March, 2018: Rs. 30.53 laacs) in the defined benefit plan during the next financial year.



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

S. No.	Particulars	Other Employee benefits (Non Funded)	
		Year ended 31st March 2019 (Rs in Laacs)	Year ended 31st March 2018 (Rs in Laacs)
A.	Opening defined benefit obligation	(12.96)	-
B	Current service cost	(26.76)	(16.37)
C	Interest cost	(2.64)	(0.53)
D	Actuarial (gain)/loss on obligation	(3.49)	3.94
E	Benefits paid	0.15	-
F	Acquisition adjustment	(0.30)	-
		<u>(46.00)</u>	<u>(12.96)</u>

16.6.7 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		Increase in assumption		Decrease in assumption	
	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)
	As at 31st March 2019 (Rs in Laacs)		As at 31st March 2019 (Rs in Laacs)		As at 31st March 2018 (Rs in Laacs)		As at 31st March 2018 (Rs in Laacs)	
	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase
Discount Rate (-/+0.5%) (% change compared to base due to sensitivity)	(7.67)	(2.72)	8.30	3.66	(3.63)	(1.37)	3.96	1.39
Salary Growth Rate (+/-0.5%) (% change compared to base due to sensitivity)	8.30	0.6	(7.74)	(0.58)	3.97	-	(3.63)	-
Attrition Rate (+/- 5% of attrition rates) (% change compared to base due to sensitivity)	0.15	(15.53)	-	-	1.11	(4.82)	-	-
Mortality Rate (+/- 1 year) (% change compared to base due to sensitivity)	-	0.91	-	(0.91)	-	0.61	-	(0.56)
Medical inflation rate (+/- 0.5%)	-	2.08	-	(1.82)	-	1.55	-	(1.35)

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 recognised in the Balance sheet.

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

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

Expected cash flows over the next	Year ended 31st March 2019	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2018
	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)	Gratuity scheme (Funded)	Post retirement defined benefit plan(Non Funded)
1 year	18.87	4.26	125.87	0.04
2 to 5 years	34.18	14.21	29.65	0.84
6 to 10 years	86.78	25.31	57.85	2.19
More than 10 years				

The average duration of the (Gratuity) defined benefit plan obligation at the end of the reporting period is 8.10 years. (31 March, 2018: 8.10 years)

The average duration of the (PRMB) defined benefit plan obligation at the end of the reporting period is 17.10 years. (31 March, 2018: 8.10 years)

16.6.09 Actuarial assumptions for compensated absences:

S. No.	Particulars	Refer note below	As at 31st March 2019	As at 31st March 2018
i	Discount rate (p.a.)	1	7.40%	7.70%
ii	Expected rate of return on assets (p.a.)	2	7.40%	7.70%
ii	Salary escalation rate (p.a.)	3	7.00%	7.00%

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.



17. Deferred Tax Assets/(Liabilities) (net)

Accounting Policy

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.

Particulars	As at	As at
	31 March 2019	31 March 2018
	INR lacs	INR lacs
MAT credit entitlement	19,982.87	17,566.13
Deferred tax liabilities	(17,951.56)	(17,953.66)
Net Deferred tax Asset / (liabilities)	2,031.31	(377.53)

Particulars	Balance as at 01	Recognised in Profit or Loss	Recognised in other	Balance as at
	April 2018			31 March 2019
			comprehensive income	
Deferred tax assets/(liabilities) in relation to				
Service concession arrangement and others	(17,943.66)	(7.90)	-	(17,951.56)
MAT credit entitlement	17,566.13	2,416.74	-	19,982.87
	(377.53)	2,408.84	-	2,031.31

Particulars	Balance as at 01	Recognised in Profit or Loss	Recognised in other	Balance as at
	April 2017			31 March 2018
			comprehensive income	
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
	(3,140.14)	2,762.61	-	(377.53)

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- The Company stated 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 assets/(liabilities) as at 31 March, 2019, reflect the quantum of tax liabilities accrued up to year end but payable after the expiry of tax holiday period.
- 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.
- As on March 31, 2019 company has MAT credit entitlement aggregating to Rs. 19,982.87 Lacs (March 31, 2018 : Rs.17,566.13 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.



Income taxes

Accounting Policy

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

17.1 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.

	Year ended 31st March 2019 (INR Lacs)	Year ended 31st March 2018 (INR Lacs)
Income taxes		
Income taxes recognised in profit & loss		
Current tax		
In respect of current year	3,969.41	4,188.10
In respect of previous years	-	(32.00)
Deferred tax (credit)/expense	3,969.41	4,156.10
a) In respect of temporary differences		
b) MAT credit entitlement	7.90	(4,184.00)
-In respect of Current year		
-In respect of previous year	(2,416.74)	(2,145.83)
Total income tax expense/(credit) recognised	(2,408.84)	(2,762.61)
	1,560.57	1,393.49

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

	Year ended 31st March 2019 (INR Lacs)	Year ended 31st March 2018 (INR Lacs)
Profit before tax	12,818.05	13,877.24
Statutory Income tax		
Tax at statutory income tax rate	29.120%	34.608%
Add: Effect of expenses that are not deductible in determining taxable profit	3,732.62	4,802.64
Less: Effect of income that are not taxable in determining taxable profit	75.49	128.21
Less: Effect on tax due to tax holiday exemption under 80IA	8.77	(12.10)
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	(4,282.76)	(5,375.00)
Income tax expense recognised in the statement of profit or loss	2,026.45	1,849.74
	1,560.57	1,393.49

The tax rate used for the financial years 2018-19 is corporate tax rate of 29.12% and 2017-18 is corporate tax rate 34.608%. Reconciliations above is the corporate tax 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 2019 (INR Lacs)	Year ended 31st March 2018 (INR Lacs)
Current tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurements of defined benefit obligation	2.34	4.83
Total income tax recognised in other comprehensive income	2.34	4.83

18. Trade payables
Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31 March 2019 INR lacs	As at 31 March 2018 INR lacs
	15.50	-
	719.61	644.05
	735.11	644.05

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	As at 31st March 2019	As at 31st March 2018
(a) Principal amount remaining unpaid as on 31st March		
(b) Interest due thereon as on 31st March*	15.50	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day*	-	-
(d) The amount of interest due and payable for the year*	-	-
(e) The amount of interest accrued and remaining unpaid as at 31st March *	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid *	-	-

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

* Amounts unpaid to Micro and small enterprises vendors on account of retention money, earnest money deposit and security deposit have not been considered for the purpose of interest calculation.

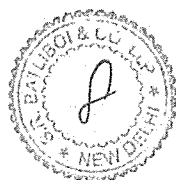


Powerlinks Transmission Limited
Notes to the Financial Statements

	As at 31 March 2019	As at 31 March 2018
	INR lacs	INR lacs
19. Other Financial Liabilities		
Current		
Current maturities of Redeemable Non-Convertible debentures	-	10,500.00
Current maturities of long-term debt	-	5,187.36
Interest accrued but not due on borrowings	-	609.41
Unearned income - to be utilised in future tariff determination*	484.13	270.35
Other payables	2.16	23.96
	486.29	16,591.08

* As per Central Electricity Regulatory Commission ('CERC') (Terms and condition for tariff) Regulation 2014, the Company had raised invoices to customer for transmission charges on the basis of tariff order as approved by CERC. As the billed amount was higher than the revenue earned, the Company created future tariff liability for the differential amount. Balance outstanding as at March 31, 2019 represent estimated differential tariff computed post receipt of order dated 20 April 2017.

	As at 31 March 2019	As at 31 March 2018
	INR lacs	INR lacs
20. Other Liabilities		
Current		
Provision for Interim Dividend	3,276.00	7,020.00
Dividend distribution tax	673.39	1,429.11
Statutory liabilities	38.58	35.04
Advance and progress payments received	1,038.42	1,299.53
Other payables	0.72	0.96
	5,027.11	9,784.64



21. Revenue from Operations

Revenue recognition
Accounting Policy

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 actual rebates given and other similar allowances.

21.1 Service Concession Arrangement ('SCA')

a. Recognition and measurement

The Company had been 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. 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 115, Appendix D "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.

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.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer

d. Borrowing cost related to

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.

21.2 Rendering of services

Service Revenue primarily includes rendering of services for providing project management, consultancy and supervision services. Revenue from consultancy and supervision services on time and material basis is recognised as services are rendered as it best depicts the value to the customers complete satisfaction of performance obligation.

Revenue from time and material contracts on fixed fee is recognized considering the extent of progress towards completion measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress.

If the Company has recognized revenue but not issued a bill, then the entitlement to consideration is recognized as a contract asset or unbilled revenue. The contract asset is transferred to receivable when the entitlement to payment becomes unconditional.

The Company receives payments from customers based on billing schedule established in contracts.

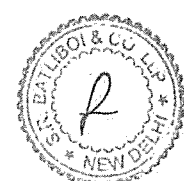
There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and

21.3 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.

Revenue in respect of late payment surcharge is recognised as and when recovered because its ultimate collection is uncertain.



Powerlinks Transmission Limited
Notes to the Financial Statements

	Year ended 31 March 2019	Year ended 31 March 2018
	INR lacs	INR lacs
Revenue from Operations		
(i) Income from Service concession arrangement	14,475.49	15,949.41
(ii) Incentive on transmission service charges	274.17	275.38
(Less): Cash discount	(149.63)	(154.25)
	14,600.03	16,070.54
Other Operating Revenue		
Rent	0.44	0.77
Consultancy, project management and supervision fee	-	28.96
Miscellaneous	13.50	22.48
	13.94	52.21
	14,613.97	16,122.75

21.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Ind AS 115 Revenue from Contracts with customers

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures. The Company adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Company did not apply any of the other available optional practical expedients.

Application of Ind AS 115, did not have any impact on Balance Sheet as at April 01, 2017 and March 31, 2018. Further it had no impact in the Statement of profit and Loss and earning per share year ended March 31, 2019.

The Company primarily earns revenue from transmission service income

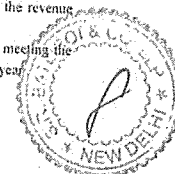
Contract Balances

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contract Assets			
Work in progress against customer contracts	9.06	-	-
Contract liabilities	9.06	-	-
- Advance from consumers	1,037.19	1,284.88	430.39
- Income received in advance	486.29	270.35	5,569.91
Receivables	1,523.48	1,555.23	6,000.30
- Trade Receivables (Gross) (refer note 10)	2,933.20	1,668.61	3,398.36
Less: Allowances for doubtful debts	-	(16.85)	(16.85)
- Unbilled revenue (refer note 5)	2,183.56	2,197.28	2,485.64
	5,116.76	3,849.04	5,867.15

Significant changes in the contract assets and the contract liabilities balances during the year/period are as follows

Particulars	As at March 31, 2019		As at March 31, 2018	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Opening Balance	-	1,555.23	-	6,000.30
Less: Revenue recognized during the year from balance at the beginning of the year	-	(291.25)	-	(354.33)
Add: Advance received during the year not recognized as revenue	-	399.47	-	1,479.17
Transfer from contract assets to receivables	-	-	-	-
Contract liabilities refunded during the year	-	(139.97)	-	(5,569.91)
Add: Work in progress against the contract	9.06	-	-	-
Closing Balance	9.06	1,523.48	-	1,555.23

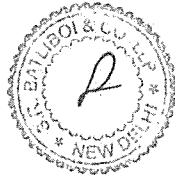
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. The aggregate value of performance obligations that are completely or partially satisfied as of March 31, 2019, other than those meeting the exclusion criteria mentioned above, is Rs. 957.89 lacs. Out of this, the Company expects to recognize revenue 100% within next one year.



Powerlinks Transmission Limited
Notes to the Financial Statements

	Year ended 31 March 2019	Year ended 31 March 2018
	INR lacs	INR lacs
22. Other Income		
Interest Income		
Interest on banks deposits	333.67	377.45
Surcharge on late payment received	91.07	161.97
Interest on Income-tax refund	-	94.89
Interest from Inter-corporate Deposits	15.08	-
Other interest	1.96	2.11
	441.78	636.42
Gain on Investments		
Change in fair value of mutual fund investments	501.42	631.27
	501.42	631.27
	943.20	1,267.69

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23. Employee Benefits Expense

Accounting Policy

23.1 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 benefits 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;
- 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.

23.2 Short term and other long-term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of Profit and loss account of the reporting period in which the related service rendered. These benefits includes wages, salaries and performance incentive.

Liabilities recognised in respect of other long-term employee benefits like annual leave and sick leave is provided on the basis of actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

	Year ended 31 March 2019	Year ended 31 March 2018
	INR lacs	INR lacs
Salaries and wages	643.40	623.00
Contribution to provident fund & other fund	54.93	56.10
Gratuity	23.91	11.27
Staff welfare expenses	76.05	64.25
	798.29	754.62

24. Finance Costs

Accounting Policy

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.

	Year ended 31 March 2019	Year ended 31 March 2018
	INR lacs	INR lacs
Interest Expense:		
Borrowings		
a. Interest on debentures	684.95	798.00
b. Interest on loans - banks & financial institutions	258.24	741.07
Others		
Interest on delayed payment of income tax	0.37	125.26
	943.56	1,664.33
Other Borrowing Cost:		
Other finance costs	29.10	27.29
	29.10	27.29
	972.66	1,691.62



Powerlinks Transmission Limited
Notes to the Financial Statements

	Year ended	
	31 March 2019	31 March 2018
	INR laes	INR laes
25. Transmission, administration and other expenses		
Rent	13.60	17.29
Repairs and maintenance	164.21	346.22
Rates and taxes (refer note A)	51.15	7.89
Insurance	6.35	6.22
Other Operation expenses	158.58	155.24
Travelling and Vehicle Hire Charges	98.30	87.73
Consultants' fees	53.14	42.86
Legal & professional charges	27.07	30.77
Payment to auditors (refer note B)	20.37	20.02
Cost of services procured	99.47	85.68
Corporate social responsibility expenses (refer note C)	258.65	244.04
Miscellaneous expenses	17.28	23.00
Bad debts written off	16.85	-
Provision for doubtful debt written back	(16.85)	-
	968.17	1,066.96
A. Rates and taxes	103.78	61.10
Less: reimbursements received/receivable for application fee and license fee paid	(52.63)	(53.21)
	51.15	7.89
B. Payment to auditors (including taxes)*		
(a) for Statutory audit	16.05	14.91
(b) for Tax audit	1.65	1.65
(c) for Certification fee	0.35	0.29
(d) for other services	-	0.32
(e) Reimbursement of expenses	2.32	2.85
	20.37	20.02

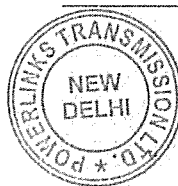
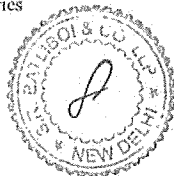
* Above auditor's remuneration for previous year, also includes predecessor auditors fees of Rs 3.67 Laes paid for limited review, other services and out of pocket expenses.

C. Corporate social responsibility expenses

a. Gross amount required to be spent by the Company during the year ended 31 March, 2019 Rs. 255 laes (Previous year Rs. 241.63 laes).

Amount spent during the year ended 31 March, 2019:

Particulars	(All amounts are in Rs. / Laes)	
	Paid (A)	Yet to be paid (B)
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	258.65 (244.04)	- (-)
(c) Details of related party transactions		
- Contribution during the year ended 31 March, 2019	-	-
- Payable as at 31 March, 2019	(-)	(-)
(Note: Figures in brackets pertains to the previous year.)		
D. System operation charges	15.14	14.64
Less: recoverable from beneficiaries	(15.14)	(14.64)



26 Segment Reporting

The Company had been 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 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

Accounting Policy

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.

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 31 March 2019.

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
a. Profit for the year	Laes	11,257.48	12,483.75
b. Weighted average number of equity shares used in computing the basic and diluted earnings per share	No. of shares	46,80,00,000.00	46,80,00,000.00
c. Earnings per share basic and diluted	Rs.	2.41	2.66

28 Contingent liabilities

Accounting Policy

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.

Particulars	As at 31st March, 2019	As at 31st March, 2018
	INR laes	INR laes
A. Claims against the Company not acknowledged as debts *		
- Disputed demands raised by sales tax authorities [refer (a) below]	4,796.34	4,477.34
- Disputed demands raised by income tax authorities [refer (b) below]		
- others	1,628.14	1,615.22
	<u>6,424.48</u>	<u>6,092.56</u>

* No provision is considered necessary since the Company expects favourable decisions.

(a) The amount represent demand amounting to Rs. 2,658.28 Laes and interest accruing at rate of 18% p.a. amounting to Rs.2138.50 Laes levied by the office of the Deputy Commissioner, Commercial Taxes (DCC1) 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 Laes on account of excess deduction claimed by assessee under Section 301A 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 laes (including interest of Rs. 136.55 laes 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 received transmission service income of Rs. 594.66 laes and Rs. 654.53 laes 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 laes and Rs. 636.14 laes for the years ended 31 March, 2008 and 31 March, 2009 respectively.

The Company had received a refund of Rs. 636.14 laes (including interest of Rs. 51.19 laes) 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 laes (including tax adjustment related to the refund amount). The refund of interest of Rs. 51.19 laes was included under "other income" and refund of tax amount of Rs. 580.38 laes 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, 2009 would be done on its receipt and will be based on the prevalent tariff regulations.

29 Commitments

Particulars	As at 31st March, 2019	As at 31st March, 2018
	INR laes	INR laes
a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	102.36	168.63
b. The Company has other 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.		



PowerLinks Transmission Limited
Notes to the financial statements

30 Related party transactions

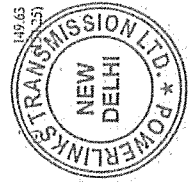
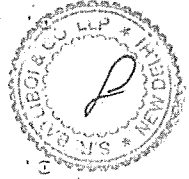
The Company's material related party transactions, and outstanding balances are with whom the Company routinely enters into transactions in the ordinary course of business.

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
 - Wabhan Renewable Energy Limited (WREL)
 - Tata Power Trading Company Ltd
 - Tata Power Ajeer Distribution Ltd
- (iii) Key Management Personnel
 - Jayant Thakur- Chief Executive Officer & Executive Director till 31.12.2018
 - Yogesh Luthra- Chief Executive Officer & Executive Director w.e.f 1.1.2019
- (iv) Others- Post employment benefit plan
 - Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme
 - Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme

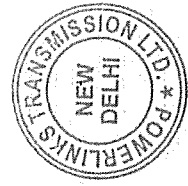
b. Transactions/balances outstanding with Related Parties

S. No.	Particulars	Joint Venture					Subsidiary of Joint Venture					Key Management Personnel (KMP)			Others- Post employment benefit plan			Total
		(TPCL)	(PGCIL)	Sub total	WREL	TPCL	TPADL	TPSSL	Sub total	Key Management Personnel (KMP)	Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme	Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme	Sub total	Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme	Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme	Sub total		
1	Transmission service charges	-	14,475.49	14,475.49	-	-	-	-	-	-	-	-	-	-	-	-	14,475.49	(15,949.41)
2	Incentive on transmission service charges	-	274.17	274.17	-	-	-	-	-	-	-	-	-	-	-	-	274.17	(275.38)
3	Surcharge	-	91.07	91.07	-	-	-	-	-	-	-	-	-	-	-	-	91.07	(161.97)
4	Manuscript remuneration (see note below) Ajaykumar Thakur	-	-	-	-	-	-	-	-	-	-	-	-	65.13	-	-	65.13	(89.09)
	Yogesh Kumar Luthra	-	-	-	-	-	-	-	-	-	-	-	17.19	-	-	17.19	-	(-)
5	Payment of Gratuity & leave encashment Ajaykumar Thakur	-	-	-	-	-	-	-	-	-	-	-	-	97.72	-	97.72	-	(-)
6	Rebate on transmission charges	-	149.63	149.63	-	-	-	-	-	-	-	-	-	-	-	-	149.63	(149.63)
		-	(154.25)	(154.25)	-	-	-	-	-	-	-	-	-	-	-	-	-	(-)



S. No.	Particulars	Joint Venture		Subsidiary of Joint Venture					Others: Post employment benefit plan			INR Lacs		
		(TPCL)	(PGCIL)	Sub total	WREL	TPCL	TPADL	TPSSL	Sub total	Res Management Personnel (RMP)	Powerlinks Transmission Limited Group Charitable Cum Life Insurance Scheme		Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme	Sub total
19	Share capital													
	As at 31.03.2019	23,868.60	22,932.60	46,800.00	-	-	-	-	-	-	-	-	-	46,800.00
	(As at 31.03.2018)	(23,868.60)	(22,932.60)	(46,800.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(46,800.00)
20	Advance to Vendors	38.82	-	38.82	1.03	-	-	-	-	-	-	-	-	80.55
	As at 31.03.2019	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	(As at 31.03.2018)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Trade payables													
	As at 31.03.2019	23.71	53.38	77.09	-	-	0.10	7.98	8.08	-	-	-	-	90.12
	(As at 31.03.2018)	(34.95)	(30.29)	(114.34)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(112.01)
21	Interim Dividend payable	1,670.76	1,605.24	3,276.00	-	-	-	-	-	-	-	-	-	3,276.00
	(As at 31.03.2019)	(3,580.30)	(3,439.80)	(7,020.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7,020.00)
22	Advance from customers													
	As at 31.03.2019	-	77.23	77.23	-	-	-	-	-	-	-	-	-	77.23
	(As at 31.03.2018)	-	(365.40)	(365.40)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(365.40)
23	Unearned income - to be utilised in future tariff determination													
	As at 31.03.2019	-	484.13	484.13	-	-	-	-	-	-	-	-	-	484.13
	(As at 31.03.2018)	(-)	(270.33)	(270.33)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(270.33)
24	Trade receivables													
	As at 31.03.2019	-	2,921.35	2,921.35	-	-	-	-	-	-	-	-	-	2,921.35
	(As at 31.03.2018)	(-)	(1,657.91)	(1,657.91)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,657.91)
25	System operation charges recoverable													
	As at 31.03.2019	-	9.26	9.26	-	-	-	-	-	-	-	-	-	9.26
	(As at 31.03.2018)	(-)	(3.46)	(3.46)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.46)
26	Unbilled revenue													
	As at 31.03.2019	-	2,193.36	2,193.36	-	-	-	-	-	-	-	-	-	2,193.36
	(As at 31.03.2018)	(-)	(2,197.28)	(2,197.28)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,197.28)

Balances outstanding as at the year end:



31 Financial Instruments
31.1 Fair value measurement:

Amount in lacs

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
Assets:					
Service concession arrangement-Non Current	-	-	82,705.42	82,705.42	82,705.42
Other financial assets-Non Current	-	-	36.86	36.86	36.86
Cash and cash equivalents	-	-	2.45	2.45	2.45
Other bank balances	-	-	1,860.79	1,860.79	1,860.79
Investments	4,403.52	-	-	4,403.52	4,403.52
Trade receivables	-	-	2,933.20	2,933.20	2,933.20
Unbilled revenues	-	-	2,183.56	2,183.56	2,183.56
Service concession arrangement- Current	-	-	177.03	177.03	177.03
Other financial assets- Current	-	-	40.73	40.73	40.73
Total	4,403.52	-	89,940.04	94,343.56	94,343.56
Liabilities:					
Borrowing- Non Current	-	-	-	-	-
Trade payables	-	-	735.11	735.11	735.11
Other financial liabilities- Current	-	-	486.29	486.29	486.29
Total	-	-	1,221.40	1,221.40	1,221.40

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

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value	Total fair value
Assets:					
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 revenue	-	-	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
Total	12,086.03	-	1,00,636.15	1,12,722.18	1,12,722.18
Liabilities:					
Borrowings- Non Current	-	-	-	-	-
Trade payables	-	-	644.05	644.05	644.05
Other financial liabilities- Current	-	-	16,591.08	16,591.08	16,591.08
Total	-	-	17,235.13	17,235.13	17,235.13

The management of the company consider that the carrying amount of the financial asset & financial liabilities as 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)

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

As at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund Investment	4,403.52	-	-	4,403.52
Total	4,403.52	-	-	4,403.52

As at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund Investment	12,086.03	-	-	12,086.03
Total	12,086.03	-	-	12,086.03



31.3 Capital Management

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 Capital structure of the Company consists of net debt (borrowings as detailed in notes 15 and 19 offset by cash and bank balances as detailed in notes 11 and 12) and total equity of the Company.
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 0% and 20%

31.4 Gearing ratio

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

	(All amounts in Rs. Lacs)	
	As at 31st March 2019	As at 31st March 2018
Debt (i)	-	15,687.36
Cash and bank balances (ii)	(1,863.24)	(6,475.65)
Net debt	(1,863.24)	9,211.71
Total Equity	91,340.22	86,297.46
Net debt to equity ratio (%)		10.67

Note

(i) Debt is defined as long term and short term borrowings as described in note 15 and 19.

(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 11, and 12.

(iii) The Company has no external borrowing as on 31 March 2019 therefore gearing ratio is zero.

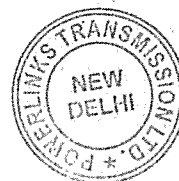
31.5 Financial risk management

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. Since during current year the Company has repaid borrowing including debentures hence 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

(ia) 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 31st March 2019 INR Laacs	As at 31st March 2018 INR Laacs
Investments in mutual funds	4,402.52	12,086.03

Price Sensitivity

For the year ended 31 March, 2019 and 31 March, 2018, every 0.50 percentage increase / decrease in the NAV of investments, will affect the Company's profit before tax by Rs. 22.02 laacs and Rs. 60.43 laacs, 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
31 March, 2019				
Borrowings	-	-	-	-
Trade payables	735.11	-	-	735.11
Other financial liabilities*	486.29	-	-	486.29
Total	1,221.40	-	-	1,221.40
31 March, 2018				
Borrowings*	-	-	-	-
Trade payables	644.05	-	-	644.05
Other financial liabilities*	17,532.54	-	-	17,532.54
Total	18,176.59	-	-	18,176.59

* Includes undiscounted interest

31.6 Financing facilities	As at 31st March 2019 INR laacs	As at 31st March 2018 INR laacs
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
- amount unused	-	-
Unsecured debentures- Bullet Repayment as on February 8, 2019		
- amount used	-	10,500
- amount unused	-	-



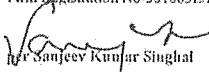
32 There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is consulting Legal counsel for further clarity and evaluating its impact on its financial statement

33 Approval of financial statements

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 23, 2019

As per our report of even date

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

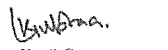

For Sanjeev Kumar Singh
Partner
Membership No/ 95377



Place: New Delhi
Date: 23 April 2019

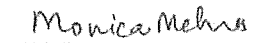
For and on behalf of the Board of Directors


Ravi P Singh
Chairman


Kapil Gupta
Chief Financial Officer

Place: Gurugram
Date: 23 April 2019


Yogesh Kumar Luthra
Chief Executive Officer
& Executive Director


Monica Mehra
Company Secretary

Place: Gurugram
Date: 23 April 2019



