

POWERLINKS TRANSMISSION LIMITED
FINANCIAL STATEMENTS
31 MARCH, 2017

INDEPENDENT AUDITOR'S REPORT To The Members of POWERLINKS TRANSMISSION LIMITED

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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



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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 - Refer Note 29(c) to the Ind AS financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 37 to the Ind AS financial statements.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407E dated 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016 - Refer Note 9.1 to the Ind AS financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha
Partner
(Membership No. 93474)

Place: Gurugram
Date : 2 May, 2017

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 31 March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha
Partner
(Membership No. 93474)

Place: Gurugram
Date: 2 May, 2017

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

- i. The Company does not have any fixed assets (Property, plant and equipment) and hence reporting under clause (i) of the CARO 2016 is not applicable.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. Other than for some delays in deposit of Income-tax, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

We are informed that the operations of the Company during the year do not give rise to Excise Duty.

- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the year do not give rise to Excise Duty.

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- c. Details of dues of Sales Tax which have not been deposited as on 31 March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount
				Rs. / in lacs
The Central Sales Tax Act, 1956	Disputed demand raised by sales tax authorities	High Court Lucknow	2004-05 to 2007-08	3,921.45*
The Central Sales Tax Act, 1956	Disputed demands raised by sales tax authorities	Additional Commissioner (Appeals) Lucknow	2008-09 to 2010-11	211.92*

* Net of Rs. Nil paid under protest

We are informed that there are no dues of Income-tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March, 2017 on account of disputes. We are informed that the Company's operations do not give rise to Excise duty.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken loans from government.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



**Deloitte
Haskins & Sells**

- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

Place: Gurugram
Date: 2 May, 2017

POWERLINKS TRANSMISSION LIMITED
BALANCE SHEET AS AT 31 MARCH, 2017

	Notes	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
ASSETS				
1. NON-CURRENT ASSETS				
a. Financial assets				
- Service Concession Arrangement	3	90,360.75	97,521.49	105,205.83
- Other financial assets	4	37.01	37.04	36.93
b. Non-current tax assets (net)	5	958.83	826.32	697.70
c. Other non-current assets	6	96.50	8.43	8.43
Total non-current assets		91,453.09	98,393.28	105,948.89
2. CURRENT ASSETS				
a. Inventories	7	172.55	173.17	191.32
b. Financial assets				
i. Other investments	11	9,556.44	2,791.12	2,653.47
ii. Service Concession Arrangement	3	5,568.82	5,727.13	6,060.84
iii. Trade receivables	8	3,381.51	2,910.31	2,487.73
iv. Cash and cash equivalents	9	8.43	29.29	261.12
v. Bank balances other than cash and cash equivalents above	10	5,193.95	7,688.28	7,943.80
vi. Other financial assets	4	2,661.59	2,647.02	2,661.13
c. Other current assets	6	30.04	19.67	38.22
Total current assets		26,573.33	21,985.99	22,297.63
TOTAL ASSETS		118,026.42	120,379.27	128,246.52
EQUITY AND LIABILITIES				
1. EQUITY				
a. Equity share capital	12	46,800.00	46,800.00	46,800.00
b. Other equity	13	36,607.19	26,591.08	25,398.68
Total Equity		83,407.19	73,391.08	72,198.68
2. LIABILITIES				
NON-CURRENT LIABILITIES				
a. Financial liabilities				
i. Borrowings	14	15,663.90	17,677.52	26,732.06
b. Provisions	15	86.16	106.51	116.82
c. Deferred tax liabilities (net)	17	3,140.14	13,948.39	15,647.78
Total non-current liabilities		18,890.20	31,732.42	42,496.66
CURRENT LIABILITIES				
a. Financial liabilities				
i. Trade payables				
-Total outstanding dues of micro enterprises and small enterprises (See note 35)				
-Total outstanding dues of creditors other than micro enterprises and small enterprises (See notes 35)		398.98	322.22	311.08
ii. Other financial liabilities	19	11,469.54	12,131.89	10,489.01
b. Provisions	15	34.43	24.08	32.62
c. Current tax liabilities (net)	16	1,930.79	-	-
d. Other current liabilities	18	1,895.29	2,777.58	2,718.47
Total current liabilities		15,729.03	15,255.77	13,551.18
Total liabilities		34,619.23	46,988.19	56,047.84
Total equity and liabilities		118,026.42	120,379.27	128,246.52

See accompanying notes to the financial statements

1-39

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Alka Chadha
Partner

Place: *Gurgaon*
Date: *2 May, 2017*

For and on behalf of the Board of Directors

I S Jha
I S Jha
Chairman

Jayant Tiku
Jayant Tiku
Chief Executive Officer
& Executive Director

Gajendra Bhardwaj *Monica Mehra*
Gajendra Bhardwaj Monica Mehra
Chief Financial Officer Company Secretary

Place: *New Delhi*
Date: *02-May-2017*

POWERLINKS TRANSMISSION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

	Notes	Year Ended 31.03.2017 (Rs. / Lacs)	Year Ended 31.03.2016 (Rs. / Lacs)
1. Revenue from operations	20	15,065.91	16,409.01
2. Other income	21	1,211.80	1,436.74
3. Total income		16,277.71	17,845.75
4. Expenses			
a. Employee benefits expense	22	706.62	667.88
b. Finance costs	23	2,096.03	3,077.20
c. Transmission, administration and other expenses	24	793.46	1,127.77
5. Total expenses		3,596.11	4,872.85
6. Profit before tax		12,681.60	12,972.90
7. Tax expense:			
a. Current tax	25	3,911.96	2,495.42
b. Deferred tax	25	(10,808.25)	(1,699.39)
c. Total tax expense		(6,896.29)	796.03
8. Profit for the year		19,577.89	12,176.87
9. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	32	17.65	(0.79)
(ii) Income tax relating to items that will not be reclassified to profit or loss	25.2	(3.77)	0.17
Total other comprehensive income		13.88	(0.62)
10 Total comprehensive income for the year		19,591.77	12,176.25
Earnings per equity share: (Face value Rs. 10 per share)			
- Basic and diluted (Rupees)	27	4.18	2.60
See accompanying notes to financial statements	1-39		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha

Alka Chadha
Partner

Place: *Gurgaon*
Date: *2 May, 2017*

For and on behalf of the Board of Directors

I S Jha

I S Jha
Chairman

Jayant Tiku

Jayant Tiku
Chief Executive Officer
& Executive Director

Gajendra Bhardwaj

Gajendra Bhardwaj
Chief Financial Officer

Monica Mehra

Monica Mehra
Company Secretary

Place: *New Delhi*
Date: *02-May-2017*

POWERLINKS TRANSMISSION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MONTHS ENDED 31 MARCH, 2017

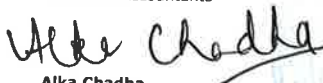
	Year Ended <u>31.03.2017</u> (Rs. / Lacs)	Year Ended <u>31.03.2016</u> (Rs. / Lacs)
A. Cash flow from operating activities		
Profit for the year	19,577.89	12,176.87
Adjustments for:		
Income tax expense recognised in profit or loss	(6,896.29)	796.03
Finance costs	2,096.03	3,077.20
Interest income earned on bank deposits	(588.35)	(706.13)
Unrealised gains on investments carried at fair value through Statement of Profit and Loss	(26.67)	(5.19)
Net gain on sale of current investments - mutual funds	(458.52)	(489.28)
	<u>13,704.09</u>	<u>14,849.50</u>
Movements in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	0.62	18.15
Trade receivables	(471.20)	(422.58)
Other non-current financial assets	0.03	(0.11)
Other current financial assets	(56.01)	(37.44)
Service Concession Arrangement		
- Non-current	7,160.74	7,684.34
- Current	158.31	333.71
Other current assets	7.28	18.55
Other non-current assets	(88.07)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	76.76	11.14
Other current liabilities	(691.74)	30.18
Other financial liabilities	2,861.99	1,745.76
Provision for employee benefits -current	10.35	(8.54)
Provision for employee benefits - non-current	(20.35)	(11.10)
Cash generated from operations	<u>22,652.80</u>	<u>24,211.56</u>
Income tax paid	(2,117.45)	(2,623.87)
Net cash generated by operating activities	<u>20,535.35</u>	<u>21,587.69</u>
B. Cash flow from investing activities		
Interest received	629.79	757.66
Payments to acquire other investments	(65,314.15)	(45,087.30)
Proceeds on sale of other investments	59,034.01	45,444.12
Fixed deposit not considered as Cash and cash equivalents		
- Placed	(14,066.90)	(9,062.40)
- Matured	16,561.23	9,317.92
Net cash generated by/(used in) investing activities	<u>(3,156.02)</u>	<u>1,370.00</u>
C. Cash flow from financing activities		
Proceeds from short term borrowings	10,601.85	-
Proceeds from long term borrowings	10,500.00	-
Repayment of short term borrowings	(10,601.85)	-
Repayment of long term borrowings	(16,450.95)	(9,100.00)
Finance costs	(1,683.03)	(3,134.61)
Dividend paid	(7,956.00)	(9,126.00)
Dividend distribution tax paid	(1,810.21)	(1,828.91)
Net cash used in financing activities	<u>(17,400.19)</u>	<u>(23,189.52)</u>
Net decrease in Cash and cash equivalents	(A+B+C)	(20.86)
Cash and cash equivalents at the beginning of the year (See note 9)	29.29	261.12
Cash and cash equivalents at the end of year end	<u>8.43</u>	<u>29.29</u>

See accompanying notes to the financial statements

1-39

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants


Alka Chadha
Partner

Place: Gurgaon
Date: 2 May, 2017

For and on behalf of the Board of Directors


I S Jha
Chairman


Jayant Tiku
Chief Executive Officer
& Executive Director


Gajendra Bhardwaj
Chief Financial Officer


Monica Mehra
Company Secretary

Place: New Delhi
Date: 02-May-2017

POWERLINKS TRANSMISSION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

a. Equity share capital

Particulars	Amount
	(Rs. / Lacs)
Balance as at 01.04.2015	46,800.00
Changes in equity share capital during the year	-
Balance as at 31.03.2016	46,800.00
Changes in equity share capital during the year	-
Balance as at 31.03.2017	46,800.00

b. Other equity

Particulars	Reserves and Surplus				Total
	General Reserve	Self Insurance Reserve	Debenture Redemption Reserve	Retained Earnings	
	(Rs. / Lacs)	(Rs. / Lacs)		(Rs. / Lacs)	(Rs. / Lacs)
Balance as at 01.04.2015	5,258.00	1,162.84	-	18,977.84	25,398.68
Profit for the year	-	-	-	12,176.87	12,176.87
Other comprehensive income for the year (net of tax)	-	-	-	(0.62)	(0.62)
Total comprehensive income for the year	5,258.00	1,162.84	-	31,154.09	37,574.93
Transferred to Self Insurance Reserve	-	152.23	-	-	152.23
Less: Payment of dividends on equity shares -interim	-	-	-	(7,956.00)	(7,956.00)
Less: Payment of dividends on equity shares -final	-	-	-	(1,170.00)	(1,170.00)
Less: Tax on interim dividend	-	-	-	(1,619.66)	(1,619.66)
Less: Tax on final dividend	-	-	-	(238.19)	(238.19)
Less: Self insurance reserve	-	-	-	(152.23)	(152.23)
Balance as at 31.03.2016	5,258.00	1,315.07	-	20,018.01	26,591.08
Profit for the year	-	-	-	19,577.89	19,577.89
Other comprehensive income (net of tax)	-	-	-	13.88	13.88
Total comprehensive income for the year	-	-	-	19,591.77	19,591.77
Transferred to Self Insurance Reserve	-	152.14	-	(152.14)	-
Less: Payment of dividends on equity shares -interim	-	-	-	(7,020.00)	(7,020.00)
Less: Payment of dividends on equity shares -final	-	-	-	(936.00)	(936.00)
Less: Tax on interim dividend	-	-	-	(1,429.11)	(1,429.11)
Less: Tax on final dividend	-	-	-	(190.55)	(190.55)
Less: Debenture redemption reserve	-	-	1,942.50	(1,942.50)	-
Balance as at 31.03.2017	5,258.00	1,467.21	1,942.50	27,939.48	36,607.19

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner

Place: *Gurgaon*
Date: *2 May, 2017*

For and on behalf of the Board of Directors

I S Jha
I S Jha
Chairman

Gajendra Bhardwaj
Gajendra Bhardwaj
Chief Financial Officer

Place: *New Delhi*
Date: *02-May-2017*

Jayant Tikku
Jayant Tikku
Chief Executive Officer
& Executive Director

Monica Mehra
Monica Mehra
Company Secretary

POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

POWERLINKS TRANSMISSION LIMITED ("the Company"), has been set up pursuant to an agreement entered into between The Tata Power Company Limited and Power Grid Corporation of India Limited (POWERGRID) with 51% and 49% shareholding respectively, to construct, operate and maintain 1,166 Kilometers of five 400 KV Double Circuit Transmission Lines and one 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and surplus power in Eastern India and is being transferred to Northern India through the transmission lines. The registered office of the Company is 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 current year, the Company has raised funds of Rs. 10,500.00 lacs by way of issue of redeemable non-convertible debentures. These debentures are listed on the National Stock Exchange of India Limited.

2. Significant Accounting Policies :

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 read with other accounting principles generally accepted in India.

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. Refer Note 2.20 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 'Leases' and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

Service Concession Arrangement

The policy for the service concession arrangement have been explained under note 2.4.1. Also see note 2.22 and note 3.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.9.

Provision for employee benefits

The policy for the employee benefits have been explained under note 2.8. Also see note 32.



2.4 Revenue recognition

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

2.4.1. Service Concession Arrangement ('SCA')

a. Recognition and measurement

The Company had been set up to construct, operate and maintain 1,116 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- 11, Appendix A "Service Concession Arrangement (SCA)", the fair value of future cash flows receivable under the above project have been initially recognised under financial assets as 'Receivables under Service Concession Arrangements' and have been recognised at amortised cost subsequently.

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, depending 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. In case of SCA under financial asset model, such costs are recognised in the period in which such costs are actually incurred.

c. Revenue recognition

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

d. Borrowing cost related to SCAs

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

2.4.2 Rendering of services

The Company earns revenue from rendering of services for providing project management, consultancy, and supervision services. The Company recognises revenue as follows:

- Revenue from consultancy and supervision contracts on a time and material basis, is recognised as services are rendered and as related costs are incurred.
- Revenue from time and material contracts on fixed fee is recognised at the contractual rates as labour hours and direct expenses are incurred.

2.4.3 Dividend and interest income

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

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

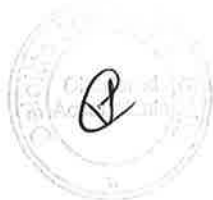
2.5 Leasing arrangement

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of 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 Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



2.5.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.7 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.6 Foreign currencies

The functional currency of the Company is Indian rupee (Rs).

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

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

2.7 Borrowing costs

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

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

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

2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

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

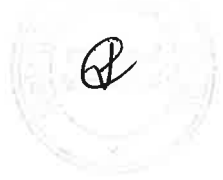
For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.8.2 Short term and other long-term employee benefits

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

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

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

2.9 Taxation

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

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

2.9.3 Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Inventories

Inventories are stated at the lower of cost or net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

2.11.1 Onerous Contracts

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

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Company 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.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

2.13.1 Effective interest method

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

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

2.13.2 Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.



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

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

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

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

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

2.13.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit - adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 'Construction Contracts Contents' and Ind AS 18 'Revenue', the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 'Financial Instruments'. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.13.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



2.13.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

2.14.1 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.

2.14.2 Equity instruments

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

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

2.14.3 Financial liabilities

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

2.14.4.1 Financial liabilities subsequently measured at amortised cost

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

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

2.14.4.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.4.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Cash and cash equivalents

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



2.16 Cash Flow Statement

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

2.17 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.18 Rounding off policy

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

2.19 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.20 First-time adoption-mandatory and optional exemptions

2.20.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

2.20.2 Derecognition of financial assets and liabilities

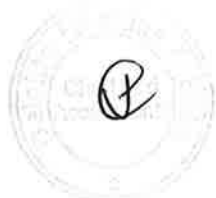
The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

2.20.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.20.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 'Financial Instruments' retrospectively; however, as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards', it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.21 Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7

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

The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact on the financial statements.

2.22 Critical accounting judgement

Pursuant to application of Ind AS- 11, Appendix A "Service Concession Arrangement", the Company has followed the financial assets model for recognition and measurement of Service Concession Receivables. The Company has calculated Service Concession Receivables based on future cash flow from the project. In the Service Concession Receivables the Company has calculated the IRR based on the cash flow recovery from the project and initial investments. The model has been built based on the norms for Tariff allowed by Central Regulatory Commission in CERC (Terms and condition of tariff) Regulations 2014.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
3. Non-current			
Service Concession Arrangement	90,360.75	97,521.49	105,205.83
	90,360.75	97,521.49	105,205.83
Current			
Service Concession Arrangement	5,568.82	5,727.13	6,060.84
	5,568.82	5,727.13	6,060.84

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 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 upto 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.

Under previous GAAP, the assets recognised by the Company in terms of the agreement mentioned above were classified as tangible and intangible assets. Further the advance given for purchasing the capital assets were classified as capital advance and assets under progress were classified as capital work in progress. Pursuant to application of Ind AS- 11, Appendix A "Service Concession Arrangement" the property, plant and equipment of the Company under the previous GAAP has been derecognised and fair value of future cash flows receivables under the above said project has been recognised initially under financial assets as Service Concession Arrangement and subsequently these have been recognised at amortised cost. Also see Note 34.

4. Other financial assets

i. Non-current

a. Security deposits

37.01	37.04	36.93
37.01	37.04	36.93

ii. Current

- a. Accrued interest on deposits
b. Unbilled revenue (See note 31)
c. System operation charges recoverable

172.47	213.91	265.44
2,485.64	2,334.73	2,293.62
3.48	98.38	102.07
2,661.59	2,647.02	2,661.13

Total

2,698.60	2,684.06	2,698.06
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5. Tax assets

i. Non-current tax assets

- a. Tax refund receivable

958.83	826.32	697.70
958.83	826.32	697.70



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
6. Other assets			
i. Non-current assets			
a. Prepaid expenses	88.07	-	-
b. Balance with government authorities	8.43	8.43	8.43
	96.50	8.43	8.43
ii. Current assets			
a. Advances to employees	2.97	9.01	3.16
b. Prepaid expenses	13.95	3.90	27.98
c. Advance to vendors	5.79	6.76	7.08
d. Surplus in defined benefit plan (See note 32)	7.33	-	-
	30.04	19.67	38.22
Total	126.54	28.10	46.65

7. Inventories (lower of cost or net realisable value)

Stores and spares	172.55	173.17	191.32
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The cost of inventories recognised as an expense during the year was Rs. 0.63 lacs (for the year ended 31 March, 2016: Rs. 4.96 lacs)

The cost of inventories recognised as an expense includes Rs. Nil (previous year Rs. 13.19 lacs) in respect of write-downs of inventory to net realisable value during the year.

8. Trade receivables (Unsecured)

Considered good	3,381.51	2,910.31	2,487.73
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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

Within the credit period
1-30 days past due
31-60 days past due
61-90 days past due
More than 90 days past due

Expected Credit loss(%)

0.00%
0.00%
0.00%
0.00%

Age of receivables

Within the credit period
1-30 days past due
31-60 days past due
61-90 days past due
More than 90 days past due
Total

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 01.04.2016 (Rs. / Lacs)
Within the credit period	3,111.26	2,441.23	1,139.27
1-30 days past due	225.83	455.29	949.62
31-60 days past due	0.16	13.79	278.54
61-90 days past due	44.26	-	120.30
More than 90 days past due	-	-	-
Total	3,381.51	2,910.31	2,487.73

With respect to trade receivables, there are no indicators as on 31 March, 2017 for default in payments. Accordingly, the Company does not anticipate any expected credit loss.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
9. Cash and cash equivalents			
A Cash and cash equivalents			
a. Balance with banks			
- in current accounts	8.43	29.29	80.78
- in demand deposit accounts		-	180.00
b. Cash on hand		-	0.34
Cash and cash equivalents as per balance sheet	8.43	29.29	261.12
Cash and cash equivalents as per statement of cash flows	8.43	29.29	261.12

9.1 Disclosure on Specified Bank Notes (SBNs)

The Company did not have any Specified Bank Notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R 308 (E) dated March 30, 2017 which were held and transacted during the period 8 November, 2016 to 30 December, 2016.

Particulars	SBNs *	Other denomination notes	Total (Rs. / Lacs)
Closing cash in hand as on 8 November, 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash held as on 30 December, 2016	-	-	-

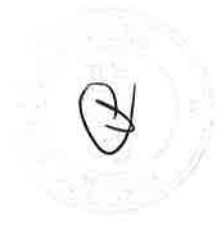
* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 2,698.06 (Rs. / Lacs)
10. Bank balances other than cash and cash equivalents above (See note 9 above)			
a. Balance with banks - in deposit accounts under lien*	5,193.95	7,688.28	7,943.80
	5,193.95	7,688.28	7,943.80
* Deposits under lien for Debt Service Reserve Account (DSRA) Debt Service Accrual Account (DSAA), Insurance Reserve and Guarantee	5,193.95	7,688.28	7,943.80



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

	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
	Units	Amount (Rs. / Lacs)	Units	Amount (Rs. / Lacs)	Units	Amount (Rs. / Lacs)
11 Other investments						
Current						
Unquoted investments (all fully paid)						
Financial assets carried at fair value through profit & loss						
a. Sundaram Money Fund Regular Growth	-	-	-	-	1,958,061.76	577.24
b. Religare Invesco Liquid fund - Growth	-	-	-	-	108,008.74	2,076.23
c. HDFC Cash Management Fund - Regular - Growth	-	-	-	-	-	-
d. Tata Money Market Fund - Growth	98,040.49	2,503.75	78,983.25	2,491.76	-	-
e. JM High Liquidity - Growth	395,269.17	175.36	5,709.32	136.00	-	-
f. Invesco India Liquid fund - Growth	112,206.78	2,504.90	395,269.17	163.36	-	-
g. IDFC Cash Fund - Growth (Regular plan)	106,374.38	2,096.56	-	-	-	-
h. Axis Liquid Fund - Growth	110,493.73	1,986.70	-	-	-	-
i. DSP Blackrock Liquidity Fund - Growth	12,474.43	289.17	-	-	-	-
Total current investments	834,858.98	9,556.44	479,961.74	2,791.12	2,066,070.50	2,653.47
Aggregate carrying value of unquoted investments		9,556.44		2,791.12		2,653.47
Note:						
* Out of above, Current investments under lien for Debt Service Accrual Account ('DSAA'), Debt Service Reserve Account ('DSRA') and Self Insurance Reserve are as follows:						
i. JM High Liquidity Fund - Growth	395,269.17	175.36	395,269.17	163.36	-	-
ii. DSP Blackrock Liquidity Fund - Growth	12,474.43	289.17	-	-	-	-
iii. IDFC Cash Fund - Growth (Regular Plan)	106,374.38	2,096.56	-	-	-	-
	514,117.98	2,561.09	395,269.17	163.36	-	-



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
	Number of shares	Amount (Rs./Lacs)	Number of shares	Amount (Rs./Lacs)	Number of shares	Amount (Rs./Lacs)
12. Equity share capital						
Equity share capital	468,000,000	46,800.00	468,000,000	46,800.00	468,000,000	46,800.00
(a) Authorised share capital						
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	483,600,000	48,360.00	483,600,000	48,360.00	483,600,000	48,360.00
(b) Issued share capital						
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	468,000,000	46,800.00	468,000,000	46,800.00	468,000,000	46,800.00
(c) Subscribed and fully paid up						
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	468,000,000	46,800.00	468,000,000	46,800.00	468,000,000	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 31.03.2017		As at 31.03.2016		As at 1.04.2015	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights						
The Tata Power Company Limited (Joint Venturer)	238,679,997	51.00	238,679,997	51.00	238,679,997	51.00
The Tata Power Company Limited and individuals jointly	3		3		3	
Power Grid Corporation of India Limited (Joint Venturer)	229,319,997	49.00	229,319,997	49.00	229,319,997	49.00
Individuals of Power Grid Corporation of India Limited	3		3		3	
	468,000,000	100.00	468,000,000	100.00	468,000,000	100.00

POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

13. Other equity	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
General reserve	5,258.00	5,258.00	5,258.00
Self insurance reserve	1,467.21	1,315.07	1,162.84
Debenture redemption reserve	1,942.50	-	-
Retained earnings	27,939.48	20,018.01	18,977.84
	36,607.19	26,591.08	25,398.68

13.1 General reserves

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
i. Balance at the beginning of the year	5,258.00	5,258.00
Balance at the end of the year	5,258.00	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.

13.2 Self insurance reserve

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
i. Balance at the beginning of the year	1,315.07	1,162.84
ii. Add: Transferred from surplus in Statement of Profit and Loss	152.14	152.23
Balance at the end of the year	1,467.21	1,315.07

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

13.3 Debenture redemption reserve

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
i. Balance at the beginning of the year	-	-
ii. Add: Transferred from retained earnings	1,942.50	-
Balance at the end of the year	1,942.50	-

As per Section 71(4) of the Companies Act, 2013, a Company shall create a Debenture Redemption Reserve for the redemption of debentures to which adequate amount shall be credited out of its profits every year until such debentures are redeemed. Accordingly, during the year, an amount of Rs 1,942.5 lacs has been transferred to the Debenture redemption reserve from the surplus in the Statement of Profit and Loss.

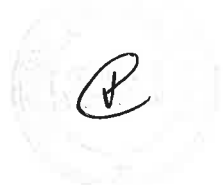
13.4 Retained earnings

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
i. Balance at the beginning of the year	20,018.01	18,977.84
ii. Add: Profit for the year	19,577.89	12,176.87
	39,595.90	31,154.71
iii. Less: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(13.88)	0.62
iv. Less: - Payment of dividends on equity shares -interim	7,020.00	7,956.00
- Payment of dividends on equity shares -final	936.00	1,170.00
- Tax on interim dividend	1,429.11	1,619.66
- Tax on final dividend	190.55	238.19
- Transferred to self insurance reserve	152.14	152.23
- Debenture redemption reserve	1,942.50	-
	11,656.42	11,136.70
Balance at the end of the year	27,939.48	20,018.01

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.

Dividend Particulars	31.03.2017
Cash dividend on equity shares declared and paid	
Final dividend for the year ended March 31, 2016 (Rs. 2.00 per share)	936.00
Interim dividend for the year ended 31 March, 2017 (Rs. 15.00 per share)	7,020.00
Dividend distribution tax on above	1,619.66
	9,575.66
Particulars	31.03.2016
Cash dividend on equity shares declared and paid	
Final dividend for the year ended 1 April, 2015 (Rs. 2.50 per share)	1,170.00
Interim dividend for the year ended 31 March, 2016 (Rs. 17.00 per share)	7,956.00
Dividend distribution tax on above	1,857.85
	10,983.85

In respect of the year ended 31 March, 2017, the directors in their meeting dated 2 May, 2017 have proposed a final dividend of Rs.0.20 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
14. Non-current borrowings			
Unsecured - at amortised cost			
Redeemable Non-Convertible Debentures			
a. Debentures	10,500.00	-	-
	10,500.00	-	-
Secured - at amortised cost			
Term loans from banks			
a. From banks			
- State Bank of India	-	3,213.78	5,049.29
- IDFC Bank Limited	-	1,125.28	-
	-	4,339.06	5,049.29
Term loans from others			
b. From others			
- International Finance Corporation	2,732.47	5,471.26	8,199.86
- Asian Development Bank	2,431.43	4,867.20	7,296.58
- IDFC Limited	-	-	6,186.33
- IDFC Infra Debt Fund Limited	-	3,000.00	-
	5,163.90	13,338.46	21,682.77
	15,663.90	17,677.52	26,732.06

Note

Summary of borrowings

- a) The Debentures mentioned in (a) are unsecured.
- b) 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:
- i. all of its intangible, receivable against Service Concession Arrangement (non-current and current) assets;
 - ii. 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.
- c) The terms of repayment and interest rates of debentures and term loans are as follows.

SI No.	Particulars	Balance as at 31.03.2017 (Rs./ Lacs)	Interest rate p.a.	Terms of repayment
1	Debentures	10,500.00	Fixed rate of interest 7.6%	Bullet repayment on 09.02.2019
2	International Finance Corporation	5,482.14	Fixed rate of interest 8.8%	Half yearly equal instalments till 15.01.2019
3	Asian Development Bank	4,876.34	Fixed rate of interest 9.14%	Half yearly equal instalments till 15.01.2019
		20,858.48		



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

SI No.	Particulars	Balance as at 31.03.2016 (Rs./ Lacs)	Interest rate p.a.	Terms of repayment
1	State Bank of India	5,053.36	Sum of floating G-Sec rate of prevailing average of immediately preceding six months daily quotes of Government of India securities of three year maturity plus 250 basis points	Quarterly equal instalments till 31.12.2018
2	IDFC Bank Limited	1,691.12	Sum of floating G-Sec rate of preceding three months daily average yield of Government of India securities of three year maturity plus 250 basis points	Quarterly equal instalments till 15.01.2019
3	International Finance Corporation	8,220.93	Fixed rate of interest 8.80%	Half yearly equal instalments till 15.01.2019
4	Asian Development Bank	7,312.11	Fixed rate of interest 9.14%	Half yearly equal instalments till 15.01.2019
5	IDFC Infra Debt Fund Limited	4,500.00	Sum of floating G-Sec rate of preceding three months daily average yield of Government of India securities of three year maturity plus 250 basis points	Quarterly equal instalments till 15.01.2019
		26,777.52		

SI No.	Particulars	Balance as at 1.04.2015 (Rs./ Lacs)	Interest rate p.a.	Terms of repayment
1	State Bank of India	6,888.87	Sum of floating G-Sec rate of prevailing average of immediately preceding six months daily quotes of Government of India securities of three year maturity plus 250 basis points	Quarterly equal instalments till 31.12.2018
2	International Finance Corporation	10,949.53	Fixed rate of interest 8.80%	Half yearly equal instalments till 15.01.2019
3	Asian Development Bank	9,741.49	Fixed rate of interest 9.14%	Half yearly equal instalments till 15.01.2019
4	IDFC Limited	8,252.17	Sum of floating G-Sec rate of preceding three months daily average yield of Government of India securities of three year maturity plus 250 basis points	Quarterly equal instalments till 15.01.2019
		35,832.06		



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
15. Provisions			
i. Non-current			
a. Provision for employee benefits			
- Compensated absences	86.16	97.17	104.81
- Gratuity (net) (See note 32)	-	9.34	12.01
	86.16	106.51	116.82
ii. Current			
a. Provision for employee benefits			
- Compensated absences	34.43	24.08	32.62
	34.43	24.08	32.62
Total	120.59	130.59	149.44
16. Current tax liabilities (net)			
a. Income tax payable	1,930.79	-	-
	1,930.79	-	-
17. Deferred tax liabilities (net)			

The following is the analysis of deferred tax assets/(liabilities) as at the balance sheet.

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
a. Deferred tax liabilities	22,127.66	22,127.66	22,127.66
	22,127.66	22,127.66	22,127.66
b. MAT credit entitlement	(18,987.52)	(8,179.27)	(6,479.88)
	(18,987.52)	(8,179.27)	(6,479.88)
Total	3,140.14	13,948.39	15,647.78

Year 2016-17

Particulars	Balance as at 01.04.2016	Recognised in Profit or loss	Recognised in other comprehensive Income	Balance as at 31.03.2017
MAT credit entitlement	(8,179.27)	(10,808.25)	-	(18,987.52)
Deferred tax liabilities in relation to Service concession arrangement	22,127.66	-	-	22,127.66

Year 2015-16

Particulars	Balance as at 01.04.2015	Recognised in Profit or loss	Recognised in other comprehensive Income	Balance as at 31.03.2016
MAT credit entitlement	(6,479.88)	(1,699.39)	-	(8,179.27)
Deferred tax liabilities in relation to Service concession arrangement	22,127.66	-	-	22,127.66

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- The Company started availing the tax benefit under section 80IA of the Income Tax Act, 1961, with effect from the financial year 2011-12, whereby the Company is entitled to a tax holiday for 10 years. Deferred tax liabilities/assets as at 31 March, 2017, 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.
- Pursuant to the amendment in section 115JAA of Income Tax Act, 1961, MAT credit can be utilised upto 15th assessment year as against 10th assessment year earlier. Accordingly, the Company has recognised MAT credit aggregating to Rs. 18,987.52 lacs as at the year-end as it is of view that there will be sufficient future taxable income against which such MAT credit entitlement can be adjusted.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
18. Other liabilities			
i. Current			
a. Dividend distribution tax	1,429.11	1,619.66	1,590.73
b. Other payables			
i. Statutory dues	26.90	26.05	46.78
(Contribution to PF, ESIC, withholding taxes and service tax etc.)			
ii. Advance from customers	430.39	1,123.49	1,072.58
iii. Other payables	8.89	8.38	8.38
	1,895.29	2,777.58	2,718.47
19. Other financial liabilities			
a. Current maturities of long term borrowings*			
From banks			
i. State Bank of India	-	1,839.58	1,839.58
ii. IDFC Bank Limited	-	565.84	-
From others		2,405.42	1,839.58
i. International Finance Corporation	2,749.67	2,749.67	2,749.67
ii. Asian Development Bank	2,444.91	2,444.91	2,444.91
iii. IDFC Limited	-	-	2,065.84
iv. IDFC Infra Debt Fund Limited	-	1,500.00	-
	5,194.58	6,694.58	7,260.42
	5,194.58	9,100.00	9,100.00
b. Interest accrued but not due on borrowings	705.05	323.97	426.85
c. Unearned income - to be utilised in future tariff determination#	5,569.91	2,707.92	962.16
	11,469.54	12,131.89	10,489.01

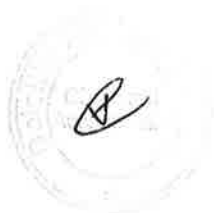
* Refer note 14 for terms and condition of loans

As per Central Electricity Regulatory Commission ("CERC") (Terms and Conditions for Tariff) Regulation 2014, the Company had raised invoices to customers for transmission charges on the basis of tariff as approved by CERC and applicable upto 31 March, 2014. The Company had filed the Petition for Annual Transmission Charges for the period April 2014 to March 2019 under Regulation 7(3) of CERC (Terms & Conditions of Tariff) Regulations 2014. Pending approval of the final tariff, the Company had accrued the transmission service income including incentive on an estimated basis as per CERC regulations dated 21 February, 2014 effective from 1 April, 2014. As the billed amount was higher than the revenue earned, the Company credited future tariff liability for the differential amount. Also see Note 38 for the Tariff orders received subsequent to the year end.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	Year Ended 31.03.2017 (Rs. / Lacs)	Year Ended 31.03.2016 (Rs. / Lacs)
20. Revenue from operations		
Sale of services (see notes below)	15,065.91	16,409.01
Notes:		
Sale of services comprises: (also see note 31)		
a. Income from Service Concession Arrangement	14,819.93	16,154.07
b. Incentive on transmission service charges	245.98	235.94
c. Consultancy, project management and supervision fee	-	19.00
	15,065.91	16,409.01
21. Other income		
a. Interest income earned on bank deposits	588.35	706.13
b. Surcharge (also see note 31)	135.51	223.00
c. Unrealised gains on investments carried at fair value through Statement of Profit and Loss	26.67	5.19
d. Net gain on sale of current investments - mutual funds	458.52	489.28
e. Miscellaneous income	2.75	13.14
	1,211.80	1,436.74
22. Employee benefits expense		
a. Salaries and wages	596.19	561.17
b. Contribution to provident and other funds	76.89	71.07
c. Staff welfare expenses	33.54	35.64
	706.62	667.88
23. Finance costs		
a. Interest expense on borrowings	2,050.83	3,057.26
b. Others - Other borrowing costs	33.00	17.17
c. Interest on delayed payment of income tax	12.20	2.77
	2,096.03	3,077.20



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	Year Ended 31.03.2017	Year Ended 31.03.2016
	(Rs. / Lacs)	(Rs. / Lacs)
24. Transmission, administration and other expenses		
a. Rent and hire charges	14.93	17.91
b. Repairs and maintenance - others	74.95	217.12
c. Insurance charges	7.05	7.31
d. Rates and taxes (see note 'ii' below)	2.31	5.30
e. Communication expenses	42.67	22.00
f. Travelling and conveyance	93.56	100.81
g. Printing, postage and stationery	3.66	2.68
h. Rebate on transmission charges (also see note 31)	122.78	166.74
i. Legal and professional fees (see note 'i' below)	99.80	98.55
j. Office and security expenses	57.02	71.93
k. Director's sitting fees	5.17	6.85
l. Electricity charges	8.48	12.21
m. Fees and subscription	14.35	3.95
n. Training and workshop expenses	3.51	1.39
o. System operation charges (see note 'iii' below)	-	-
p. Expenditure on corporate social responsibility (see note 30)	237.99	384.24
q. Miscellaneous expenses	5.23	8.78
	793.46	1,127.77
Note		
i. Legal and professional fees includes payment to auditors as following		
A. To statutory auditors		
(a) for Statutory audit	14.95	13.13
(b) for Tax audit	2.30	2.29
(c) for Certification fee	3.52	2.86
(d) for other services	3.45	5.17
(e) Reimbursement of expenses	0.35	0.80
	24.57	24.25
The remuneration disclosed above excludes fees of Rs. 17.17 lacs (Previous year Rs. 16.27 lacs) for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.		
B. To cost auditors for cost audit	1.15	1.15
Total (A+B)	25.72	25.40
ii. Rates and taxes	55.52	60.18
Less: reimbursements received/receivable for application fee	(53.21)	(54.88)
	2.31	5.30
iii. System operation charges (also see note 31)	21.39	29.12
Less: recoverable from beneficiaries	(21.39)	(29.12)
	-	-



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

25 Income taxes

25.1 Income taxes recognised in profit and loss

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
Current tax		
In respect of the current year	3,911.96	2,495.42
	3,911.96	2,495.42
Deferred tax		
In respect of the current year	(3,546.89)	(1,699.39)
Adjustments to deferred tax attributable to changes in tax laws	(7,261.36)	-
	(10,808.25)	(1,699.39)
Total income tax expense recognised in the current year	(6,896.29)	796.03

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

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
Profit before tax	12,681.60	12,972.90
Statutory Income tax	34.608%	34.608%
Tax at Indian statutory income tax rate	4,388.86	4,489.66
Add: Effect of expenses that are not deductible in determining taxable profit	86.59	172.81
Less: Effect of income that is not taxable in determining taxable profit	(11.41)	(5.01)
Less: Effect on tax due to tax holiday exemption under 80IA	(4,098.97)	(4,243.45)
Add: MAT credit not recognised due to uncertainty of utilisation during the period allowed as per the provisions of Income- tax Act, 1961	-	382.02
Less: Adjustments recognised in the current year in relation to the MAT credit of previous year due to change in tax law	(7,261.36)	-
Income tax expense recognised in the statement of profit or loss	(6,896.29)	796.03

The tax rate used for the financial years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

25.2 Income tax recognised in other comprehensive income

	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
Current tax		
Remeasurements of defined benefit obligations	(3.77)	0.17
Total income tax recognised in other comprehensive income	(3.77)	0.17



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

26 Segment Reporting

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 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.

Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

27 Earnings per share

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

Particulars	Units	Year Ended 31.03.2017	Year Ended 31.03.2016
a. Profit for the year	Rs. / lacs	19,577.89	12,176.87
b. Weighted average number of equity shares used in computing the basic and diluted earnings per share	No. of shares	468,000,000	468,000,000
c. Earnings per share basic and diluted	Rs.	4.18	2.60
c. Face value per share	Rs.	10	10

28 Contingent liabilities

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs. / Lacs)	(Rs. / Lacs)	(Rs. / Lacs)
a. Claims against the Company not acknowledged as debts *			
- Disputed demands raised by sales tax authorities	4,133.37	3,814.38	3,495.38
- others	1,608.06	1,512.13	1,392.05
	5,741.43	5,326.51	4,887.43

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

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

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

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

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

29 Commitments

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs. / Lacs)	(Rs. / Lacs)	(Rs. / Lacs)
a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	255.15	166.73	147.37

- 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.

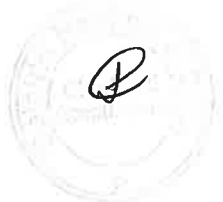
30 Corporate social responsibility (CSR)

- a. Gross amount required to be spent by the Company during the year ended 31 March, 2017 Rs. 238.27 lacs (Previous year Rs. 384.51 lacs).
- b. Amount spent during the year ended 31 March, 2017:

Particulars	(All amounts are in Rs. / Lacs)		
	Paid (A)	Yet to be paid (B)	Total (A+B)
(a) Construction/acquisition of any asset	-	-	-
(b) On purposes other than (a) above	237.99 (384.24)	(-) 0.28 (0.27)	(-) 238.27 (384.51)
(c) Details of related party transactions			
- Contribution during the year ended 31 March, 2017	-	-	-
- Payable as at 31 March, 2017	(-)	(-)	(-)

Note: Figures in brackets pertains to the previous year.

- c. The Company has recognised expenses aggregating to Rs. 237.99 lacs (Previous year Rs. 384.24 lacs).



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

31 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
 - Power System Operation Corporation Limited (POSOCO)
 - Mathon Power Limited (MPL)
- (iii) Associate of Joint Venture
 - Yashmun Engineering Limited (YEL)
- (iv) Key Management Personnel
 - Jayant Tiku- Chief Executive Officer & Executive Director
- (v) Others- Post employment benefit plan
 - Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme
 - Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme

b. Transactions/balances outstanding with Related Parties

S. No. Particulars	Joint Venture		Subsidiary of Joint Venture			Associate of Joint Venture	Key Management Personnel (KMP)	Others- Post employment benefit plan			(All amounts are in Rs. / Lacs)
	(TPCL)	(PGCIL)	Sub total	MPL	POSOCO			YEL	Jayant Tiku	Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme	
1 Transmission service charges	14,819.93 (-)	(16,154.07)	14,819.93 (16,154.07)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	14,819.93 (16,154.07)
2 Incentive on transmission service charges	245.98 (-)	(235.94)	245.98 (235.94)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	245.98 (235.94)
3 Consultancy, project management and supervision fee	(19.00)	(-)	(19.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(19.00)
4 Surcharge	135.51 (-)	(223.00)	135.51 (223.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	135.51 (223.00)
5 Managerial remuneration (see note below)											
Jayant Tiku	(-)	(-)	(-)	(-)	(-)	(-)	94.02 (86.91)	(-)	(-)	(-)	94.02 (86.91)
6 Repairs and maintenance - others	(-)	(-)	(-)	(-)	(-)	7.27 (143.72)	(-)	(-)	(-)	(-)	7.27 (143.72)
7 Rebate on transmission charges	122.78 (-)	(166.74)	122.78 (166.74)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	122.78 (166.74)
8 System operation charges	(-)	(-)	(-)	21.39 (29.12)	(-)	(-)	(-)	(-)	(-)	(-)	21.39 (29.12)
9 Reimbursement of expenses by the Company	39.28 (-)	37.56 (33.78)	76.84 (33.78)	5.19 (-)	(-)	(-)	(-)	(-)	(-)	(-)	82.03 (33.78)
10 Reimbursement of expenses to the Company	77.03 (-)	74.60 (84.00)	151.63 (84.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	151.63 (84.00)

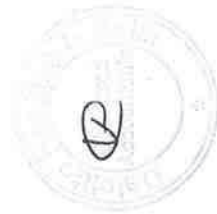


POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

S. No. Particulars	Joint Venturer		Subsidiary of Joint Venturer			Associate of Joint Venturer		Key Management Personnel (KMP)		Others- Post employment benefit plan		(All amounts are in Rs. / Lacs)
	(TPCL)	(PGCIL)	Sub total	POSOCO	MPL	Sub total	YEL	Jayant Tiku	Powerlinks Transmission Limited Group Gratuity Cum Life Assurance Scheme	Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme	Sub total	
Transactions during the year (Cont):												
11. Interim dividend paid	3,580.20 (4,057.56)	3,439.80 (3,898.44)	7,020.00 (7,956.00)	-	-	-	-	-	-	-	-	7,020.00 (7,956.00)
12. Final dividend	477.36 (596.70)	458.64 (573.30)	936.00 (1,170.00)	-	-	-	-	-	-	-	-	936.00 (1,170.00)
13. Contribution to fund-Superannuation	-	-	-	-	-	-	-	-	-	29.77 (32.66)	29.77 (32.66)	29.77 (32.66)
14. Contribution to fund-Gratuity	-	-	-	-	-	-	-	-	4.24 (11.91)	-	4.24 (11.91)	4.24 (11.91)

Note:

Managerial remuneration for Mr. Jayant Tiku (Chief Executive Officer and Executive Director- Key Managerial Personnel) excludes provision for leave encashment and gratuity, as separate figures for key managerial personnel is not available.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

S. No.	Particulars	Joint Venturer			Subsidiary of Joint Venturer			Associate of Joint Venturer	Key Management Personnel (KMP)	Others- Post employment benefit plan				Total	
		(TPCL)	(PGCIL)	Sub total	POSO	MPL	Sub total			YEL	Jayant Tiku	Powerlinks Limited Group Gratuity Cum Life Assurance Scheme	Powerlinks Transmission Limited Group Superannuation Cum Life Assurance Scheme		Sub total
15	Share capital														
	As at 31.03.2017	23,868.00	22,932.00	46,800.00	-	-	-	-	-	-	-	-	-	-	46,800.00
	(As at 31.03.2016)	(23,868.00)	(22,932.00)	(46,800.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(46,800.00)
	(As at 1.04.2015)	(23,868.00)	(22,932.00)	(46,800.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(46,800.00)
16	Trade payables														
	As at 31.03.2017	-	48.89	48.89	1.15	-	1.15	7.85	-	-	-	-	-	-	57.89
	(As at 31.03.2016)	(-)	(76.82)	(76.82)	(2.17)	(-)	(2.17)	(21.93)	(-)	(-)	(-)	(-)	(-)	(-)	(100.92)
	(As at 1.04.2015)	(-)	(28.06)	(28.06)	(2.76)	(-)	(2.76)	(15.96)	(-)	(-)	(-)	(-)	(-)	(-)	(46.78)
17	Advance from customers														
	As at 31.03.2017	-	430.39	430.39	-	-	-	-	-	-	-	-	-	-	430.39
	(As at 31.03.2016)	(-)	(1,123.49)	(1,123.49)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,123.49)
	(As at 1.04.2015)	(-)	(1,072.58)	(1,072.58)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,072.58)
18	Unearned income to be utilised in future tariff determination														
	As at 31.03.2017	-	5,569.91	5,569.91	-	-	-	-	-	-	-	-	-	-	5,569.91
	(As at 31.03.2016)	(-)	(2,707.92)	(2,707.92)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,707.92)
	(As at 1.04.2015)	(-)	(962.16)	(962.16)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(962.16)
19	Gratuity														
	As at 31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(As at 31.03.2016)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	(As at 1.04.2015)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Trade receivables														
	As at 31.03.2017	(4.70)	3,381.51	3,381.51	-	-	-	-	-	-	-	-	-	-	3,381.51
	(As at 31.03.2016)	(9.22)	(2,905.61)	(2,910.31)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,910.31)
	(As at 1.04.2015)	(9.22)	(2,475.23)	(2,484.45)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,484.45)
21	System operation charges recoverable														
	As at 31.03.2017	-	3.48	3.48	-	-	-	-	-	-	-	-	-	-	3.48
	(As at 31.03.2016)	(-)	(98.38)	(98.38)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(98.38)
	(As at 1.04.2015)	(-)	(102.07)	(102.07)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(102.07)
22	Advance to vendors														
	As at 31.03.2017	-	(-)	(-)	-	-	-	1.00	-	-	-	-	-	-	1.00
	(As at 31.03.2016)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)
	(As at 1.04.2015)	(-)	(-)	(-)	(-)	(-)	(-)	(7.08)	(-)	(-)	(-)	(-)	(-)	(-)	(7.08)
23	Unbilled revenue														
	As at 31.03.2017	-	2,485.64	2,485.64	-	-	-	-	-	-	-	-	-	-	2,485.64
	(As at 31.03.2016)	(-)	(2,334.73)	(2,334.73)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,334.73)
	(As at 1.04.2015)	(2.42)	(2,291.20)	(2,293.62)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,293.62)

Balances outstanding as at the year end:



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 32: Employee benefits

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

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

a. Defined contribution plan

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the 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. 59.24 lacs (Previous year Rs. 61.92 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, 2017, contribution of Rs. 5.95 lacs (as at 31 March, 2016 Rs. 4.32 lacs) representing amount payable to the Employee Provident Fund in respect of FY 2016-17 (FY 2015-16) reporting period had not been paid to the plans. The amounts were paid subsequent to the end of respective reporting periods.

b. Defined benefit plan – Gratuity plan

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

Risks associated with Plan Provisions

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

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

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, 2017 by Mr. Khushwant Pahwa, Fellow, Institute of Actuaries of India. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal actuarial assumptions:

S. No.	Particulars	Refer note below	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 1.04.2015
i.	Discount rate (p.a.)	1	6.75%	7.70%	7.80%
ii.	Expected rate of return on assets (p.a.)	2	8.25%	8.35%	8.75%
iii.	Salary escalation rate (p.a.)	3	8.00%	10.00%	10.00%

Notes

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

Demographic assumptions:

S. No.	Particulars	31.03.2017	31.03.2016	1.04.2015
1	Retirement age	60 Years	60 years	60 years
2	Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ult.	Indian Assured Lives Mortality (2006-08) modified Ult.	Indian Assured Lives Mortality (2006-08) modified Ult.
3	Withdrawal rate (for all ages)	5.71%	10.00%	10.00%



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The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements:

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

S. No.	Particulars	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
A	Current service cost	10.97	8.84
B	Net interest expenses	0.72	0.17
	Components of defined benefit costs recognised in Statement of Profit or Loss	11.69	9.01

ii. Remeasurement on the net defined benefit liability:

S. No.	Particulars	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
A	Actuarial (gains)/losses due to change in demographic assumptions	2.11	
B	Actuarial (gains)/losses due to change in financial assumptions	(6.33)	0.49
C	Actuarial (gains)/losses due to change in experience variance	(12.15)	0.37
D	Return on plan assets	(1.28)	(0.07)
	Component of defined benefit costs recognised in Other Comprehensive Income	(17.65)	0.79

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in the other comprehensive income.

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

S. No.	Particulars	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)	As at 01.04.2015 (Rs. / Lacs)
A	Present value of defined benefit obligation	134.55	78.17	92.17
B	Fair value of plan assets	141.88	68.83	80.16
	Funded status surplus/(deficit)	(7.33)	9.34	12.01

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

S. No.	Particulars	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
A	Opening defined benefit obligation	78.17	92.17
B	Current service cost	10.97	8.84
C	Interest cost	6.02	7.19
D	Actuarial (gain)/loss on obligation	(16.37)	0.86
E	Benefits paid	(11.16)	(30.89)
F	Acquisition adjustment	66.92	-
	Closing defined benefit obligations (F=A+B+C+D+E)	134.55	78.17

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

S. No.	Particulars	Year ended 31.03.2017 (Rs. / Lacs)	Year ended 31.03.2016 (Rs. / Lacs)
A	Opening fair value of plan assets	68.83	80.16
B	Actual return on plan assets	5.30	7.02
C	Employer's contributions	4.24	11.77
D	Acquisition adjustment	66.08	-
E	Benefits paid	(3.85)	(30.19)
F	Actuarial gain / (loss)	1.28	0.07
	Closing fair value of plan assets (F=A+B+C+D+E)	141.88	68.83

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. 1.39 lacs (as at 31 March, 2016: Rs. 8.28 lacs; as at 01 April 2015: Rs. 12.47 lacs) to the defined benefit plan during the next financial year.



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vi. 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	As at 31.03.2017 (Rs./Lacs)		As at 31.03.2016 (Rs./Lacs)	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%) (% change compared to base due to sensitivity)	143.06	127.17	83.44	73.51
Salary Growth Rate (-/+1%) (% change compared to base due to sensitivity)	6.30%	(5.50%)	6.70%	(6.00%)
Attrition Rate (-/+ 50% of attrition rates) (% change compared to base due to sensitivity)	136.68	133.04	N/A	N/A
Mortality Rate (-/+ 10% of attrition rates) (% change compared to base due to sensitivity)	1.60%	(1.10%)	N/A	N/A
	0.00%	0.00%		

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.

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

Expected cash flows over the next	As at 31.03.2017 (Rs. / Lacs)	As at 31.03.2016 (Rs. / Lacs)
1 year	55.78	11.28
2 to 5 years	34.32	29.62
6 to 10 years	35.96	37.28
More than 10 years	100.87	NA

The average duration of the defined benefit plan obligation represents average duration for active members at 31 March, 2017: 6 years (as at 31 March, 2016: 11 years)

viii. Actuarial assumptions for compensated absences

S. No.	Particulars	Refer note below	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
i	Discount rate (p.a.)	1	6.75%	7.70%	7.80%
ii	Expected rate of return on assets (p.a.)	2			
iii	Salary escalation rate (p.a.)	3	8.00%	10.00%	10.00%

Notes

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



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

33. Financial Instruments

33.1 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 14 and 19 offset by cash and bank balances as detailed in notes 9 and 10) 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.

33.1.1 Gearing ratio

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

(All amounts in Rs. /Lacs)

	As at 31.03.17	As at 31.03.16	As at 01.04.15
Debt (i)	20,858.48	26,777.52	35,832.06
Cash and bank balances (ii)	(5,202.38)	(7,717.57)	(8,204.92)
Net debt	15,656.10	19,059.95	27,627.14
Total Equity	83,407.19	73,391.08	72,198.68
Net debt to equity ratio (%)	18.77	25.97	38.27

Note

(i) Debt is defined as long term and short term borrowings as described in note 14 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 9 and 10.

33.2 Categories of financial instruments

(All amounts in Rs. /Lacs)

	As at 31.03.17	As at 31.03.16	As at 01.04.15
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Designated as at FVTPL-Investment in Mutual Fund	9,556.44	2,791.12	2,653.47
Measured at amortised cost			
(a) Service Concession Arrangement - non-current	90,360.75	97,521.49	105,205.83
(b) Other financial assets (non-current)	37.01	37.04	36.93
(c) Service Concession Arrangement-current	5,568.82	5,727.13	6,060.84
(d) Trade receivables	3,381.51	2,910.31	2,487.73
(e) Cash and cash equivalents	8.43	29.29	261.12
(f) Bank balances other than cash and cash equivalents above	5,193.95	7,688.28	7,943.80
(g) Other financial assets (current)	2,661.59	2,647.02	2,661.13
Total	116,768.50	119,351.68	127,310.85
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	15,663.90	17,677.52	26,732.06
(b) Trade payables	398.98	322.22	311.08
(c) Other financial liabilities	11,469.54	12,131.89	10,489.01
Total	27,532.42	30,131.63	37,532.15

33.3 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 ahead.

33.4 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. The Company's activities expose it primarily to the financial risks of changes in interest rate (see note 33.5) and price risk (see note 33.6).



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

33.5 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March, 2017 would decrease/increase by Rs. Nil (for the year ended March 2016: decrease/ increase by Rs. 56.22 lacs). This is mainly attributable to the Company's exposure to the interest rates on its variable rate borrowings.

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.

33.6 Price risk

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

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

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

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	(Rs. / Lacs)	(Rs. / Lacs)	(Rs. / Lacs)
Investments in mutual funds	9,556.44	2,791.12	2,653.47

For the year ended 31 March, 2017 and 31 March, 2016, every 0.50 percentage increase / decrease in the NAV of investments, will affect the Company's profit before tax by Rs. 47.78 lacs and Rs. 13.96 lacs, respectively.

33.7 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.

33.8 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. Note 33.8.1 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.



POWERLINKS TRANSMISSION LIMITED
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Expected maturity for financial liabilities	(All amounts in Rs. /Lacs)			
	0-1 year	1-5 years	5+ years	Total
31 March, 2017				
Borrowings*	-	16,267.52	-	16,267.52
Trade payables	398.98	-	-	398.98
Other financial liabilities*	13,498.31	-	-	13,498.31
Total	13,897.29	16,267.52	-	30,164.81
31 March, 2016				
Borrowings*	-	21,078.04	-	21,078.04
Trade payables	322.22	-	-	322.22
Other financial liabilities*	16,587.76	-	-	16,587.76
Total	16,909.98	21,078.04	-	37,988.02
1 April, 2015				
Borrowings*	-	34,633.92	-	34,633.92
Trade payables	311.08	-	-	311.08
Other financial liabilities*	16,800.36	-	-	16,800.36
Total	17,111.44	34,633.92	-	51,745.36

* including undiscounted interest

33.8.1 Financing facilities

	As at 31.03.17 (Rs. / Lacs)	As at 31.03.16 (Rs. / Lacs)	As at 01.04.15 (Rs. / Lacs)
Unsecured bank overdraft, reviewed annually and payable at call:			
-amount used	-	-	-
-amount unused	400.00	400.00	400.00
Secured bank loan facilities with various maturity dates through to March 31, 2019 and which may be extended by mutual agreement			
-amount used	20,858.48	26,777.52	35,832.06
-amount unused	-	-	-

33.9 Fair value measurements

33.9.1 Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis

Financial assets and financial liabilities

	Fair value as at			Fair value hierarchy	Valuation techniques and key inputs
	As at 31.03.17 (Rs. / Lacs)	As at 31.03.16 (Rs. / Lacs)	As at 01.04.15 (Rs. / Lacs)		
- Other investments	9,556.44	2,791.12	2,653.47	1	See note i below

Note

i. Other investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

33.10 Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statement approximate their fair values.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

34 First time IND AS adoption reconciliation

34.1 Effect of Ind AS adoption on the financial statements as at 31.03.2016 and 1.04.2015

Note	As at 31.03.2016		As at 1.04.2015		
	Previous GAAP * (Rs. / Lacs)	Effect of transition to Ind AS (Rs. / Lacs)	As per Ind AS (Rs. / Lacs)	Previous GAAP * (Rs. / Lacs)	
				Effect of transition to Ind AS (Rs. / Lacs)	As per Ind AS (Rs. / Lacs)
Non-current assets					
a. Financial assets					
- Receivable against Service Concession Arrangements	85,095.06	12,426.43	97,521.49	94,435.99	10,769.84
- Other financial assets	37.04	-	37.04	36.93	-
b. Current tax assets (net)	826.32	-	826.32	697.70	697.70
c. Other non-current assets	8.43	-	8.43	8.43	8.43
Total non-current assets	85,966.85	12,426.43	98,393.28	95,179.05	10,769.84
Current assets					
a. Inventories	173.17	-	173.17	191.32	191.32
b. Financial assets					
i Other investments	2,785.93	5.19	2,791.12	2,651.00	2,653.47
ii Receivable against Service Concession Arrangements	-	5,727.13	5,727.13	-	6,060.84
iii Trade receivables	2,910.31	-	2,910.31	2,487.73	2,487.73
iv Cash and cash equivalents	29.29	-	29.29	261.12	261.12
v Bank balances other than above	7,688.28	-	7,688.28	7,943.80	7,943.80
vi Other financial assets	2,647.02	-	2,647.02	2,661.13	2,661.13
c Other current assets	19.67	-	19.67	38.22	38.22
Total current assets	16,253.67	5,732.32	21,985.99	16,234.32	6,063.31
Total assets	102,220.52	18,158.75	120,379.27	111,413.37	16,833.15
					128,246.52



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	As at 31.03.2016		As at 1.04.2015			
	Previous GAAP * (Rs. / Lacs)	Effect of transition to Ind AS (Rs. / Lacs)	As per Ind AS (Rs. / Lacs)	Previous GAAP * (Rs. / Lacs)	Effect of transition to Ind AS (Rs. / Lacs)	As per Ind AS (Rs. / Lacs)
Equity						
a. Equity share capital	46,800.00	-	46,800.00	46,800.00	-	46,800.00
b. Other equity	6,793.61	19,797.47	26,591.08	6,599.71	18,798.97	25,398.68
Total Equity (shareholders funds under previous GAAP)	53,593.61	19,797.47	73,391.08	53,399.71	18,798.97	72,198.68
Non-current liabilities						
a. Financial liabilities						
i. Borrowings	17,740.11	(62.59)	17,677.52	26,840.11	(108.05)	26,732.06
ii. Provisions	106.51	-	106.51	116.82	-	116.82
c. Deferred tax liabilities (net)	4,524.76	9,423.63	13,948.39	6,224.15	9,423.63	15,647.78
d. Advance against depreciation	9,873.21	(9,873.21)	-	9,873.21	(9,873.21)	-
Total non current liabilities	32,244.59	(512.17)	31,732.42	43,054.29	(557.63)	42,496.66
Current liabilities						
a. Financial liabilities						
i. Trade payables	322.22	-	322.22	311.08	-	311.08
ii. Other financial liabilities	12,131.89	-	12,131.89	10,489.01	-	10,489.01
b. Provisions	1,150.63	(1,126.55)	24.08	1,440.81	(1,408.19)	32.62
c. Other current liabilities	2,777.58	-	2,777.58	2,718.47	-	2,718.47
Total current liabilities	16,382.32	(1,126.55)	15,255.77	14,959.37	(1,408.19)	13,551.18
Total liabilities	48,626.91	(1,638.72)	46,988.19	58,013.66	(1,965.82)	56,047.84
Total equity and liabilities	102,220.52	18,158.75	120,379.27	111,413.37	16,833.15	128,246.52

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

34.2 Reconciliation of total equity as at 31.03.2016 and 1.04.2015

	Note	As at 31.03.2016	As at 1.04.2015
		(Rs. / Lacs)	(Rs. / Lacs)
Total equity (shareholders funds) under Previous GAAP		53,593.61	53,399.71
Adjustments			
Dividends not recognised as a liability until declared under Ind AS	i	936.00	1,170.00
Tax on dividends not recognised as a liability until declared under Ind AS	i	190.55	238.19
Fair valuation of investments under Ind AS	ii	5.19	2.47
Recognition of borrowing at amortised cost using effective interest method under Ind AS	iii	45.46	108.05
Recognition of deferred tax on account of Ind AS adjustments	v	(9,423.63)	(9,423.63)
Impact of derecognition of property, plant and equipment	vi	18,170.69	16,830.68
Reversal of advance against depreciation	vii	9,873.21	9,873.21
Total adjustment to equity		19,797.47	18,798.97
Total equity under Ind AS		73,391.08	72,198.68

34.3 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31.03.2016

	Note	Year ended 31.03.2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS
		(Rs. / Lacs)	(Rs. / Lacs)	(Rs. / Lacs)
Revenue from operations	vi	23,392.87	(6,983.86)	16,409.01
Other income	ii	1,431.95	5.19	1,436.74
Total Income		24,824.42	(6,978.67)	17,845.75
Expenses				
Employee benefits expense	iv	568.67	(0.79)	667.88
Finance costs	iii	3,031.74	45.46	3,077.20
Depreciation and amortisation expense	vi	8,196.61	(8,196.61)	0.00
Transmission, administration and other expenses		1,235.43	(107.66)	1,127.77
Total expenses		13,132.45	(8,259.60)	4,872.85
Profit before tax		11,691.97	1,280.93	12,972.90
Tax expense				
Current tax expenses	iv	2,495.25	0.17	2,495.42
Less: Deferred tax		(1,699.39)	-	(1,699.39)
Net current tax expense		795.86	0.17	796.03
Profit for the year		10,896.11	1,280.76	12,176.87
Total other comprehensive income	iv	-	(0.62)	(0.62)
Total comprehensive income for the year		10,896.11	1,280.14	12,176.25



POWERLINKS TRANSMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

34.4 Reconciliation of total comprehensive income for year ended 31.03.2016

	Note	Year ended 31.03.2016 (Rs. / Lacs)
Profit after tax as per previous GAAP (A)		10,896.11
Adjustments :		
Decrease in revenue due to accounting as per Service Concession Arrangement	vi	(6,983.86)
Fair valuation of investments under Ind AS	ii	5.19
Recognition of borrowing at amortised cost using effective interest method under Ind AS	iii	(45.46)
Adjustment for depreciation and amortisation expense	vi	8,196.61
Transmission, administration and other expenses		107.66
Remeasurement of defined benefit plans	iv	(0.17)
Others	iv	0.79
Total effect of transition to Ind AS (B)		1,280.76
Profit for the year as per Ind AS (C= A+B)		12,176.87
Less: Other comprehensive income for the period (net of tax) (D)	iv	(0.62)
Total comprehensive income under Ind AS (C+D)		12,176.25

34.5 Effect of Ind AS adoption on the statement of cash flows for the year ended 31.03.2016

	Note	As at 31.03.2016		
		Previous GAAP (Rs. / Lacs)	Effect of transition to Ind AS (Rs. / Lacs)	As per Ind AS balance sheet (Rs. / Lacs)
Net Cash flows from operating activities	viii	21,998.10	(410.41)	21,587.69
Net Cash flows from investing activities	viii	959.59	410.41	1,370.00
Net Cash flows from financing activities		(23,189.52)	-	(23,189.52)
Net decrease in cash and cash equivalents		(231.83)	(0.00)	(231.83)
Cash and Cash equivalents at the beginning of the year		261.12	-	261.12
Cash and Cash equivalents at the end of the year		29.29	-	29.29

34.6 Analysis of cash and cash equivalents as at 31.03.2016 and as at 1.04.2015 for the purposes of statement of cash flow under Ind AS

	As at 31.03.2016 (Rs. / Lacs)	As at 1.04.2015 (Rs. / Lacs)
Cash and Cash equivalents for the purposes of statement of cash flows as per previous GAAP	29.29	261.12
Cash and Cash equivalents for the purposes of statement of cash flows under Ind AS	29.29	261.12

Notes to reconciliations

(i) Provisions

Under the previous GAAP, dividend payable was recognised as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established.

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, the liability for proposed dividend of Rs 1,170.00 lacs and Rs. 936.00 lacs (along with tax on proposed dividend of Rs. 238.19 lacs as at 1 April, 2015 and Rs. 190.55 lacs 31 March, 2016) as at 1 April, 2015 and 31 March, 2016 respectively, included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(ii) Investment in Mutual funds

Under the previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value through profit and loss. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March, 2016.

Accordingly, there is an increase in the retained earnings (and total equity) by Rs. 2.47 lacs and Rs. 5.19 lacs as at 1 April, 2015 and 31 March, 2016 respectively.

(iii) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, borrowings as at 1 April, 2015 and 31 March, 2016 have been adjusted by Rs. 108.05 lacs and Rs 62.59 lacs respectively with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31 March, 2016 was reduced by Rs. 45.46 lacs on account of change in effective interest expense.



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(iv) Re-measurement gains or losses

Under previous GAAP actuarial gains or losses were recognised in the Statement of Profit or Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income (OCI) under Ind AS instead of profit or loss.

Accordingly, actuarial losses of Rs.0.79 lacs and its corresponding tax of Rs. 0.17 lacs for the year ended 31 March, 2016 has been reclassified as expense through other comprehensive income.

(v) Deferred tax liability

Pursuant to adjustments under Ind AS relating to derecognition of property plant and equipment, recognition of service concession arrangement, fair valuation of investments and recognition of borrowings at amortised cost, deferred tax liability has increased by Rs. 9,423.63 lacs as at 1 April, 2015 and 31 March, 2016.

(vi) Service Concession Arrangement (SCA)

Under previous GAAP, the assets recognised by the Company in terms of the agreement entered into with POWERGRID as referred in note 3 were classified as tangible and intangible assets. Further the advance given for purchase of capital assets were classified as capital advance and assets under construction were classified as capital work in progress. Pursuant to application of Ind AS- 11, Appendix A "Service Concession Arrangement" property, plant and equipment of the Company under the previous GAAP has been derecognised and fair value of future cash flows receivables under the above said project has been recognised initially under financial assets as Service Concession Arrangement ('SCA') and subsequently these have been recognised at amortised cost. Also See note 3.

Accordingly, there is a net increase in other equity of Rs. 16,830.68 lacs as at 1 April, 2015 and Rs. 18,170.69 lacs as at 31 March, 2016.

Under the previous GAAP, the revenue earned as per terms of the above agreement entered into with POWERGRID was being recognised as per AS-9 'Revenue recognition'. Pursuant to recognition of SCA, the revenue is now being recognised based on return on investments (ROI) calculated at effective interest rate of the project cost. Accordingly, revenue from operations has decreased by Rs. 6,983.86 lacs, while depreciation and amortisation on property, plant and equipment and intangible assets and loss on sale of PPE have been derecognised have been derecognised by Rs. 8,196.61 lacs and Rs. 107.66 lacs respectively.

(vii) Advance against depreciation

As per Ind AS, the advance against depreciation is clubbed with service concession receivables as this is part of recovery from customers. Hence the other equity as at 1 April, 2015 and 31 March, 2016 has been increased by Rs. 9,873.21 lacs.

(viii) Cash flows

Pursuant to application of Ind AS- 11, Appendix A "Service Concession Arrangement", property, plant and equipment under the previous GAAP was derecognised and fair value of future cash flows received under the project as mentioned in the note 3 has been recognised as Service concession arrangement. Accordingly, there is a reclassification of cash flows from investing activity to cash flows from operating activity amounting to Rs. 410.41 lacs.

35 Disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 on 31 March, 2017 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid during the year or is payable under the terms of the MSMED Act, 2006. 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. This has been relied upon by the auditors.

36 Trade payables are non interest bearing and usually are settled with a period of 15 to 30 days. The Company has a financial risk policy in place and all payables are generally paid in accordance with the agreed credit terms.

37 Investor Education and Protection Fund

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

38 Subsequent events

Subsequent to the year end, Central Electricity Regulatory Commission(CERC) has issued orders dated 18 April, 2017 and 20 April, 2017 for truing up the transmission tariff for 2013-14 during the tariff period 2009-2014 and for determination of the transmission tariff for the tariff period of 2014-2019 in respect of the Company. The Company has assessed the impact of the above orders and is of view that there is no material impact on the financial statements of the Company as and for the year ended 31 March, 2017. There are no other adjusting events subsequent to the year end.



39 Approval of financial statements

The financial statements for the year ended 31 March, 2017 were approved by the Board of Directors and authorised for issue on 2 May, 2017.

For and on behalf of the Board of Directors



I S Jha
Chairman



Gajendra Bhardwaj
Chief Financial Officer

Place: New Delhi
Date: 02-May-2017



Jayant Tiku
Chief Executive Officer
& Executive Director



Monica Mehra
Company Secretary

